

TEXAS DEPARTMENT OF TRANSPORTATION

COMMISSION MEETING

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

Thursday, February 28, 2013

COMMISSION MEMBERS:

Ted Houghton, Chair
Jeff Austin III
William Meadows
Jeff Moseley
Fred Underwood

STAFF:

Phil Wilson, Executive Director
John A. Barton, Deputy Executive Director
Jeff Graham, General Counsel
Rose Walker, Chief Clerk
Kristen Webb, Chief Minute Order Clerk

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- (2) **Dallas District** - Consider a donation from Southern Methodist University (SMU) to provide payment for the costs associated with the installation of overhead guide signs on US 75 to the SMU Campus (MO)
- (3) **Houston District** - Consider a donation from HEB Grocery Company, LP, for the design and construction of a widening of SL 336 to four lanes, including a continuous left turn lane along SL 336 to the donor=s facility at the White Oak Market Commercial site development in Montgomery County (MO)

15. **Routine Minute Orders (continued)**a. **Donations to the Department**

- (4) **Lubbock District** - Consider a donation from Cargill, Inc., for the design and construction of deceleration and acceleration lanes adjacent to the donor=s new cattle feed manufacturing facility located along US 60, near Bovina, Texas (MO)
- (5) **San Antonio District** - Consider a donation from Kahlig Motor Company, for the design and construction of intersection improvements and right turn lane on the Eastbound I-10 frontage road in Bexar County for a new commercial development located East of Milsa Lane (MO)
- (6) **San Antonio District** - Consider a donation from Lanpar Holdings, LP., for the design and construction of a left turn lane and right turn lane on SH 46 in Kendall County for an apartment complex near Herff Ranch (MO)
- (7) **San Antonio District** - Consider a donation from No. 9 Depot for the design and construction of a right turn lane on SH 46 in Kendall County for a retail development near Esser Road (MO)
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- (9) **San Antonio District** - Consider a donation from Walmart Real Estate Business Trust, for the design, construction and installation of a traffic signal at the intersection of I-410 frontage road and Ray Ellison Drive to access the new commercial development located on the southwest quadrant of the intersection (MO)
- (10) **Yoakum District** - Consider a donation from Enterprise Products Operating, LLC, for the design and construction of turn lanes from US 77 to the gas plant just north of Yoakum (MO)

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 - (2) **Lubbock County** - FM 1585 and FM 1730 - Consider the exchange of right of way (MO)
 - (3) **Williamson County** - BI 35-L and RM 620 in Round Rock - Consider removal from the system of segments of both highways and transfer of control, jurisdiction and maintenance to the city. In addition, consider re-designation of the remaining segment of BI 35-L. Also consider the transfer and quitclaim of surplus right of way to the city (MO)
- c. **Finance**
- (1) Accept the annual continuing disclosure report for the State Highway Fund revenue bonds (MO)
 - (2) Accept the annual continuing disclosure report for the Texas Mobility Fund (MO)
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- (1) **Hidalgo County** - Designate SH 68 along a new location from US 281 in the city of Edinburg east and southward to US 83 in the city of Donna (MO)
 - (2) **Kaufman County** - Designate SH 34 along a new location in and near the city of Terrell and redesignate the old alignment as SH 34-A Business (MO)
 - (3) **Limestone County** - Extend the designation of FM 1245 eastward along existing County Road 420 east of the city of Groesbeck (MO)
 - (4) **Harris and Fort Bend Counties** - Designate a segment of US 59 from I-610 West in Houston to north of Spur 529 in Rosenberg as I-69 (MO)
- e. **Release of Access Rights**
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P R O C E E D I N G S

1
2 MR. HOUGHTON: We're going to start right on
3 time today, so it's 9:00 a.m., and I call to order the
4 regular February 28, 2013 meeting of the Texas
5 Transportation Commission. Note for the record the public
6 notice of this meeting, containing all items on the
7 agenda, was filed with the Secretary of State at 4:27 p.m.
8 on February 20, 2013.

9 I ask before we begin today that you place all
10 cell phones and communication devices in the silent or off
11 mode. Thank you, Commissioner Underwood.

12 And if you wish to address the commission today
13 during the session, there's two cards, one is yellow and
14 one is blue. The yellow is for something on the agenda,
15 the blue is for the open comment period. Regardless of
16 the color or what you want to do, we need to have a card
17 signed.

18 And before we begin, I'd like to turn over the
19 mike to our executive director, Phil Wilson.

20 MR. WILSON: Thank you, Mr. Chairman.

21 I'd like to ask Jerral Wyer to come forward for
22 our safety briefing. Jerral.

23 MR. WYER: Thank you, Phil. Good morning,
24 everyone. Appreciate you being here.

25 This morning just want to give you a quick

1 reminder on our safety procedures. First of all, if there
2 is an emergency regarding fire, please make your way to
3 the exits. We've got two major exits, the main entry of
4 the building and then the side entry. And if possible,
5 please make your way to the Capitol grounds in the event
6 of a fire alarm. We have a very safe building here in the
7 Greer Building, it's sprinkled, we've got fire
8 extinguishers throughout, so make sure you take a look and
9 see where those fire extinguishers are in case you can
10 help.

11 If you have a medical emergency, I want to
12 encourage you to go to the front security and report. We
13 can call 9-1-1 if needed, and we've got medical services
14 that we can provide here in the Greer Building.

15 We're not expecting any poor weather today, but
16 if there's a tornado alert, we're going to ask that you
17 make your way to the staircase and to the basement area.
18 That's the safest part of the building and we would
19 appreciate you responding in that manner.

20 We thank you for being here today and thank you
21 for sharing this safety message with me. Thank you.

22 MR. WILSON: Thank you, Jerral.

23 With that safety briefing completed, I'll hand
24 the gavel back to you, Mr. Chair, to complete opening
25 remarks.

1 MR. HOUGHTON: We'll open with comments from
2 our commissioners. I'd like to, from my right to left,
3 have Commissioner Moseley open with his comments.

4 MS. MOSELEY: Good morning, Chairman, members.

5 It was really a pleasure to be a part of
6 TxDOT's Transportation Summit last week. I wanted to just
7 say congratulations to Phil Wilson and his team. I know
8 they put in a lot of extra hours to coordinate and
9 facilitate. And to each of my colleagues who had roles, I
10 thought it was an outstanding summit.

11 Mr. Chairman, today we've very honored to have
12 a distinguished delegation from Pearland, and following
13 the opening remarks it would be my pleasure to recognize
14 some of the speakers that wish to address the commission.

15 MR. AUSTIN: Good morning.

16 I echo the comments. Welcome to Pearland and
17 Brazoria County. It's great to see some of you, old
18 friends and new friends. Great delegation, a lot going on
19 down there.

20 Last night I had the opportunity to attend the
21 Bob Bullock Museum Texas Independence Day Awards honoring
22 two folks from the Houston area that have had a great
23 impact on this state and our country. George Mitchell,
24 you look at some of the things that he has done in
25 transportation, The Woodlands -- I know we had our

1 commission meeting there recently. Also, Gene Kranz. As
2 you think of what TxDOT is now, we're no longer a highway
3 department, we're looking at all modes of transportation.

4 Mr. Chairman, we haven't gotten into space yet but we
5 have roads going there.

6 (General laughter.)

7 MR. AUSTIN: But as we look at the impact, what
8 NASA, the Space Program has done for Texas, with the
9 ports, airports and things, always want to be thankful and
10 appreciate the contributions these men have made to our
11 state.

12 A couple of weeks ago, a few weeks ago we had
13 I-69 Day at the Capitol and really excited to have
14 Governor Perry come and make some remarks, talk about the
15 importance of Interstate 69. As you know, we added some
16 additional mileage south of Houston going down to
17 Richmond, really excited about that. We're up to about 70
18 miles now with Interstate 69. That will soon be
19 completely dual branded, 59 and US 69. Real excited about
20 that.

21 But while we were there we gave each of the
22 members, Senate and House of Representatives, that have a
23 section of Interstate 69, a little plaque like this. But
24 I didn't want my colleagues to be left out, so I have a
25 plaque. And as I'm passing these out, I want to say these

1 were made by our team with surplus material. Every one of
2 these have surplus materials, and I really compliment the
3 innovation that everyone has put together.

4 But thank you all and the fellow commissioners,
5 a lot of folks that have been working on Interstate 69 for
6 decades, years, and putting all this together. Hope to
7 continue this.

8 I echo Commissioner Moseley's comments about
9 the forum. There was a lot of people behind this that
10 made it happen, record numbers, but especially thank you
11 to Coby Chase, Lauren Honeycutt, Cindy Mueller and Debra
12 Richmond for really spearheading a lot of the details that
13 made it such a success.

14 I hope you got to see the Google car. I had
15 the opportunity to ride in it with Phil. I guess we were
16 going south on 35 and it was kind of a weird feeling when
17 the driver turned around to talk to us both. We were
18 laughing, it's kind of like a wedding: we're looking at
19 the things of the past, congestion, we're trying to work
20 on that, dealing with present day funding issues, now
21 we've got to begin looking ahead as we look at technology
22 in relieving and solving problems.

23 But also the comments from former CFO of New
24 York, Mayoral Candidate Bill Thompson, really appreciate
25 everyone attending and some of the comments and the

1 innovation. Look forward to seeing you all next year.

2 MR. MEADOWS: Well, I, too, am glad to see our
3 friends from Pearland. I had the opportunity to visit
4 with them a little bit last night, and I always remember
5 every year, it seems, or every session I look forward to
6 having the opportunity to see you all. And I was
7 reminded, as Commissioner Austin was making his remarks,
8 about the importance of really our local partners, and
9 that's you all. I mean, people that are civically
10 involved, they really do care about the state, that work
11 with us in an advocacy sort of way to advance issues that
12 are really important to all of us, and transportation
13 issues are certainly at the very top of that list.

14 I had the opportunity last night to visit with
15 another local group, several of my colleagues were able to
16 join us, and it was a North Texas coalition, really, of
17 advocacy and interest groups that have recognized the
18 importance of transportation infrastructure to this state.
19 And for them to have taken the time and effort to have
20 come down and coalesced, all of those organizations, I'm
21 talking about Denton County Transportation Authority, Fort
22 Worth Transportation Authority -- I will leave somebody
23 out, and I apologize in advance -- but DART, Tarrant
24 Regional Transportation Coalition, the Dallas Citizens
25 Council, the NTTA, North Texas Commission, the Transit

1 Coalition of North Texas, a fairly new organization, the
2 Fort Worth Chamber and the Greater Dallas Chamber, all of
3 those people came together with the same agenda focused on
4 advancing transportation infrastructure.

5 We had the opportunity to have had Chair of the
6 Senate Transportation Committee Nichols, Chairman Phillips
7 from the House were there. It was a bunch of
8 organizations that really are focused on the importance of
9 advancing transportation infrastructure, and we appreciate
10 and welcome their partnership, just as we do yours. So
11 thanks very much for being here with us today.

12 MR. UNDERWOOD: I associate myself with my
13 colleagues' remarks. As usual, they're a lot more
14 eloquent than I am.

15 This week the Panhandle received a historic
16 blizzard, I think it's probably the second biggest one
17 we've ever had. Many places got well over a foot of snow,
18 and as you can imagine, this had a big impact on our
19 transportation system, and I want to give special thanks
20 to day to our dedicated employees in Amarillo, Lubbock and
21 Childress for their tireless work. In fact, some of them
22 are still working now.

23 I also want to thank the crews from El Paso,
24 Commissioner, from Odessa, Abilene, Fort Worth,
25 Commissioner, Dallas, Atlanta, Commissioner, and the north

1 region for traveling to the Panhandle area to help clear
2 highways and get the traveling public on the road again.
3 This dedication really demonstrates the first priority of
4 TxDOT to maintain a safe system for our driving public.

5 And I want to personally thank -- as
6 Commissioner Meadows said, I'm going to miss somebody --
7 Mike Taylor, director of operations Amarillo District; Ted
8 Moore, director of maintenance Lubbock District; Darwin
9 Langford, director of maintenance Childress District;
10 Gilbert Jordan, emergency management coordinator; Dalton
11 Pratt, equipment manager; Ron Johnston, Amarillo District
12 engineer; Doug Eichorst, Lubbock; Marty Smith, Childress
13 District engineer; Howard Holland, Maintenance Division
14 director -- Howard is in our audience today. I'm very
15 proud of these men and the men and women they work with.

16 And something I think you need to understand
17 for the audience, when you live in Austin you're missing
18 the thrill of a raisin counter's lifetime. We like to say
19 in our part of the world, when we get that norther coming
20 in, the only thing between us and the North Pole is a
21 barbed wire fence. And the snow, it doesn't sound lie
22 very much to some people having a foot of snow, but when
23 it's blowing, when your wind is going 40 to 55 miles an
24 hour, you can have eight and ten foot drifts.

25 We had the driving public literally in whiteout

1 where they couldn't see, they would stop right in the
2 middle of the road because they couldn't see where they
3 were going, we have our trucks, our six-yards with blades
4 going along, we had probably half a dozen near misses
5 where we were trying to clear the highway off and there's
6 a parked individual. Thank goodness, we didn't have any
7 accidents to the vigilance of our employees that were
8 driving these trucks.

9 And for my fellow commissioners, I want you
10 just to imagine this, imagine that you're in a boat that's
11 sinking and you're bailing water as fast as you can, and
12 you look behind you and there's some guy behind you
13 sitting there drilling more holes in the bottom of the
14 boat. That's what it feels like when these men are out
15 here trying to clean these roads off with this wind
16 blowing and just right behind they were just covering them
17 up.

18 So the men and women, thank you very much for
19 what you do for TxDOT. You're a credit to us and we
20 applaud you. So thank you.

21 (Applause.)

22 MR. HOUGHTON: Well, I echo the sentiments and
23 the remarks of my fellow commissioners, but Commissioner
24 Underwood, did you forget Houston, or did Houston not have
25 any snow removal equipment down there to help you all

1 with?

2 MR. UNDERWOOD: No, sir, but we sure would have
3 accepted it if they did.

4 (General laughter.)

5 MR. HOUGHTON: Well, I am equally as grateful
6 to the folks that kept the citizens of our state and the
7 travelers of the State of Texas safe and out of harm's
8 way, and rescued quite a few people on Interstate Highway
9 27 and Interstate Highway 40 up in the Panhandle area, and
10 my congratulations to all those who helped. But I think
11 it was a little rough, Commissioner Underwood, you know,
12 when our people from El Paso come into Lubbock County and
13 we're asked for our passport coming into your community.

14 But that's the One TxDOT we talk about in times
15 like this around the country. It may be a hurricane in
16 the Gulf Coast. But you're whiteout, we had that same
17 storm on the leading edge was brown. There wasn't much
18 snow but a lot of sand from New Mexico and Arizona being
19 pushed through our region. But my congratulations to all.

20 And especially at the same time to those who
21 stayed up late hours during the Texas Transportation
22 Forum, Coby and Lauren, and tremendous yeoman's work,
23 outstanding, everything I'm hearing, and the sessions were
24 great. So thank you very much for all you did, Coby and
25 Lauren and the people within earshot of my comments.

1 Thank you very much.

2 Now I would like to turn the mike over to
3 Commissioner Moseley for his introductions. Commissioner
4 Moseley.

5 MS. MOSELEY: Thank you, Chairman, members.

6 We're really pleased today to have a delegation
7 from Pearland. This region, of course, of the state is
8 very rapidly growing and we're very pleased that they take
9 time to come here and make their voice heard, not only
10 here at the commission but at the Capitol, because they
11 share with us the dedication and commitment to mobility.
12 We're also very much engaged in discussions with
13 leadership in Pearland and Brazoria County on some
14 strategic corridors, of course, 288 being a very important
15 corridor to the state and to the region.

16 It's a pleasure today, Chairman, to recognize
17 State Representative Ed Thompson, who is leading the
18 delegation, to bring us some opening remarks and
19 greetings.

20 Representative Thompson, welcome.

21 MR. THOMPSON: Mr. Chairman, commissioners,
22 thank you for having me this morning.

23 I'm here honored to represent House District
24 29, and especially my hometown, Pearland. I had the
25 distinct honor of serving there on city council and the

1 economic development board and the school board prior to
2 becoming a state representative, so a of these folks I've
3 worked with for many, many years, and I tell you, you
4 won't find a more dedicated group of folks and a prouder
5 community than Pearland.

6 You're going to hear later from our mayor and
7 also from Commissioner Sebesta in regards to the
8 partnership that's being formed in our area to work on
9 some of these transportation concerns and needs that we
10 have. Commissioner Sebesta has got some news about the
11 projects that are going on in our county. The mayor will
12 tell you about the growth that's going on in the city of
13 Pearland.

14 But I want to tell you about the 70 people that
15 took time out of their day to come up here and be a part
16 of Pearland Days. They left their homes and came up here
17 to visit with us, the legislature, but also to visit with
18 you. And this meeting is already built around your
19 meeting because they want to come here because they
20 understand the importance of transportation and they
21 understand the importance of working with you in our area.

22 I, too, want you to know that I'm available and
23 willing to work in any way I can to help in this. I have
24 a constituent that has asked me to bring her concerns
25 about the 288 corridor, and that's Executive Director

1 Wilson's mother who lives in my district. So on behalf of
2 her, I want you to consider this corridor as major.

3 (General laughter.)

4 MR. THOMPSON: You know, it feeds the Texas
5 Medical Center, and I'm not going to spend any time
6 talking about the Texas Medical Center because I know you
7 all know about it. But some of the growth that's
8 projected just in that Medical Center, I've heard
9 estimates they're going to triple the size of the Medical
10 Center. And I don't know the exact numbers, Commissioner
11 Moseley knows the exact numbers of probably every person
12 that works there, but there's a tremendous number of
13 people that work there, and if you can imagine what that
14 will do, even if they double the size of the Texas Medical
15 Center, what that would do.

16 So it's a very, very important corridor. It's
17 one that we need to address. I wish that you could all
18 come with me to the district and we would take off about
19 seven o'clock in the morning and head toward the Texas
20 Medical Center and see the tremendous amount of traffic
21 that's on that roadway each and every day and the folks
22 that are sitting in that traffic, they implore you too to
23 help us to improve that.

24 So thank you very much for what you do. I
25 appreciate you all very much and look forward to working

1 with you, and if there's anything that my office can do,
2 certainly we want to reach out and help in any way. And
3 thank you for allowing me to come and speak to you this
4 morning. Thank you.

5 MS. MOSELEY: Thank you, Representative
6 Thompson.

7 There might be a question from the members, but
8 would you also like to have your delegation stand?

9 MR. THOMPSON: Yes, please.

10 (Applause.)

11 MR. THOMPSON: Thank you.

12 MS. MOSELEY: Thank you, Representative.

13 Members, we're also pleased to have
14 representatives from Brazoria County, County Commissioner
15 Stacy Adams is here, and then speaking on behalf of the
16 county, Commissioner Matt Sebesta.

17 Commissioner, welcome.

18 MR. SEBESTA: Good morning. Thank you,
19 Commissioner.

20 I'd like to recognize Commissioner Adams.
21 Where are you at? Right here. Our junior commissioner on
22 the court, but lives in and represents Pearland very well.

23 Brazoria County, as many of you know, has grown
24 tremendously, and the mayor will share with you in a few
25 minutes the growth. I've heard him say it a hundred times

1 about how Pearland has grown from the year I was born when
2 that census came out, there were 1,497 people in Pearland,
3 and he'll give you the numbers of where it's at today. It
4 has grown just a tad.

5 But some of the things that are going on in
6 Brazoria County that's driving the traffic on 288, of
7 course, you heard the Med Center, but just in the last few
8 years we're at \$14.8 billion in capital investment in
9 Brazoria County, and that is from the petrochemical south
10 all the way up through Pearland. Twenty thousand contract
11 jobs just off that \$14.8 billion, and these are announced
12 projects, projects in construction, some of them complete.

13 There are others in the pipeline and a lot of it's driven
14 by our oil and gas blessings here in Texas. But \$14.8
15 billion, of which just his week Commissioners' Court in
16 Brazoria County granted \$2.82 billion in tax abatements to
17 Ascend and Dow Chemical.

18 Just last week our neighbors to the west,
19 Matagorda County, \$1.3 billion project with 2,000
20 construction jobs, another 600 direct jobs. But with that
21 20,000 contractor jobs, we've got also 3,400 direct jobs.
22 Right now we're at about 5.7 percent unemployment in
23 Brazoria County, much, much better than what we're seeing
24 in the nation.

25 From the Port of Freeport we've got

1 Commissioner John Hoss -- John, where are you at -- right
2 here. John serves us on the Port of Freeport. They have
3 a statewide economic impact of \$7 billion in economic
4 impact. Right now they're feeding 800 to 1,000 trucks onto
5 the highway system, most of it onto 288, some on 36.
6 Ultimately in their mast plan in the next ten years,
7 they're looking at 3,000 to 4,000 trucks per day feeding
8 into the highway system. They're investing, over the next
9 eight to ten years, \$300 million in growth at their port
10 expansion which is just going to have just more and more
11 tremendous impacts, driving more and more traffic onto 288
12 and 36.

13 We're going through our process right now of
14 our T&R numbers on 288, as you are. We've been in
15 constant conversations with Phil and with Commissioner
16 Moseley, Mr. Zapalac, as we go through our numbers, you go
17 through your numbers, and over the next few weeks, month
18 or so, I think we will be able to figure out just exactly
19 how we're going to make 288 happen. And we're looking
20 very much forward, it's been a long time in coming, and we
21 very well appreciate being able to work with TxDOT on
22 making this happen.

23 So thank you very much.

24 MS. MOSELEY: Thank you, Commissioner.

25 (Applause.)

1 MS. MOSELEY: Members, there are few office-
2 holders that have served as long as Mayor Tom Reid, and he
3 is here today, the mayor of Pearland. Mayor Reid,
4 welcome. Delighted to have your statement at this time.

5 MAYOR REID: Thank you.

6 Mr. Chairman and commissioners, I appreciate
7 the job you have to do, a lot of work and not an awful lot
8 of money to support it.

9 You know, Pearland has been sort of a mystery
10 for a lot of people. For years it's been a small
11 crossroads town down in Brazoria County, but now we're
12 sitting on 75 square miles of footprint. Part of that is
13 in Fort Bend County and part of that is in Harris County,
14 so we're three counties, and that's good for legislation
15 for a city in three counties.

16 We have grown, of course, from our population
17 in 2000 was about 35,000 people, we're sitting at 130,000
18 today. We project that we'll be close to 200,000 in the
19 near future. The census has been very kind to us because
20 they have used our *Houston Chronicle* to brag about us a
21 lot. They say that we're the second fastest growing city
22 in the State of Texas and that we're the fifteenth fastest
23 growing city in the nation. And they have also shared
24 with us that in the Gulf Coast area we are the third
25 largest city by population, which is surprising to a

1 number of people because they never knew that Pearland was
2 even down there. We follow Houston, Pasadena and then
3 Pearland.

4 Of course, in this process we have grown in a
5 number of ways. We do have 8,000 of our citizens working
6 at the Texas Medical Center, all using 288, but we're a
7 unique city in a sense when you talk about transportation
8 arterials. You start on the far east side next to
9 Friendswood, we have Dixie Farm Road. Moving toward the
10 west along 518 which runs east-west through the city, you
11 have Highway 35, State Highway 35. Proceed farther on,
12 you'll hit Cullen Boulevard which is 865. Then you get
13 288, and then farther west where our boundary ends in Fort
14 Bend County, we share a part of 521, used to be called the
15 old 288 Corridor. So we have a number of major state
16 highways going through the city. It's not surprising
17 there's a lot of people use those highways.

18 But let me tell you a little bit about our city
19 in that I think from the growth of the city and the type
20 of community that we have, FBI puts out a report every
21 year on all cities over 100,000 population, reporting
22 their crime activity, and they have placed Pearland in the
23 top 50 safest cities in the United States.

24 Well, when we talk about retail efforts that we
25 have in the area, the Texas Retail Association put out a

1 report last year in 2012 that said that Houston is the
2 leader of the top 50 retail markets in the State of Texas.
3 Pearland is in that top 50 cities retail markets in the
4 State of Texas. I think we're something like 48 in that
5 particular stack-up. And when you think about retail, you
6 think about a lot of traffic coming in from outside the
7 city, movement of traffic within the city on these major
8 state highways.

9 It's kind of interesting, I always thought it
10 was unique that a lot of cities are called Alvin and
11 London or New London, and duplicate names, but Pearland is
12 the only city in the world that has the name Pearland,
13 which is very unique in a city, so we stand alone like
14 that and have been hiding that for a number of years.

15 Of course, the Medical Center has presented us
16 a lot of opportunities, but one of the things with these
17 state highways that go through the city and the
18 transportation needs, we have always taken the position
19 that we're going to stick our hand out -- not to receive
20 something from TxDOT or from this commission, but to join
21 you in a partnership. And I want to share with you about
22 three items that are currently underway in Pearland.

23 One of them is State Highway 288 which we're
24 working on trying to put a master plan and managed lanes
25 in all the way from Highway 6 which is now halfway down to

1 the bottom of Brazoria County, all the way into the
2 Medical Center to take care of the management of traffic.

3 Not only do we have the 8,000 citizens in Pearland, but
4 we have those living south of us, all the way down to Lake
5 Jackson, that work at the Medical Center, so there's a lot
6 of traffic on it.

7 State Highway 35 is under construction in
8 Pearland and it's going from the Beltway all the way
9 through the south part of the city, and it's upgrading to
10 a six-lane boulevard with an esplanade down the middle.
11 It has made a significant difference in the type of
12 community that we're developing to manage what we have
13 represented as an outstanding new community on the block.

14 We also have Cullen Boulevard which is 865.
15 That has been a major roadway that has led from Pearland
16 all the way over to I-45 in Houston by the University of
17 Houston campus. That is under construction too.

18 These were partnerships that we had with TxDOT
19 and with you, and we appreciate that opportunity to share
20 the partnership arrangement.

21 It's kind of interesting that in the growth of
22 our city, growing from about a little over 30,000 in the
23 year 2000 up to 130,000 today, the *Houston Chronicle* has
24 been sharing with us and reminding us that we have some
25 obligations. I'd like to read to you a quote from the

1 *Houston Chronicle* that says: Some Houston suburbs aren't
2 what they used to be. They have become sophisticated
3 cities with amenities associated with urban life. Three
4 of the largest communities surrounding Houston have a new
5 regional distinction that are now called The Lands,
6 Pearland, Sugar Land, and The Woodlands. Which is kind of
7 interesting.

8 We are leveraging that to make certain that we
9 have a city that would be a model for other cities in our
10 Gulf Coast region. We have been so very fortunate to have
11 our leadership all through the Houston area, such as Judge
12 Moseley, that when he was the Houston Partnership
13 sponsored and encouraged good major transportation issues,
14 as well as economic, as well. But if you can't get them
15 into town and get them out of town, you have a major
16 problem.

17 Now, I know that money is short but the
18 partnerships are still there. We are working with
19 diligence in trying to make certain that our community is
20 one that people want to come to, people want to be a part
21 of, which translates to the fact that we do have
22 transportation challenges, but we also have growth
23 challenges.

24 The *Houston Chronicle* also made the comment,
25 that I thought was quite interesting, that Houston is the

1 most diverse community in the United States. They stole
2 that title from Chicago and New York. They also proceeded
3 with the next paragraph by saying that Missouri City and
4 Pearland are even more diverse than the city of Houston.
5 So we have a lot of challenges that we're working with in
6 Pearland: economic, working with our diverse community,
7 coming out of the obscurity of being a small crossroads
8 country town and a suburb of Houston, to moving into a
9 regional position in our Gulf Coast area.

10 I appreciate all the work that you have done in
11 the past and all the good work you're going to have to do
12 in the future, because we're partners with you on that
13 because this is our state and we feel like any
14 transportation improvement across the state is an
15 extremely important thing to do.

16 So thank you for the job you do. Judge, I
17 appreciate your long-term friendship from years past back
18 when he was a county judge. And we are very delighted to
19 be here today to tell you that Pearland is coming out of
20 the Dark Ages, coming into the full light of the
21 spotlight, and we're going to try to be a city that all of
22 you will be proud to come and visit and be a part of and
23 say: You know, we did a road down there.

24 Thank you so much for giving us a chance to be
25 with you.

1 (Applause.)

2 MS. MOSELEY: Chairman, I would just add that
3 because of Mayor Reid's leadership, that's why I think we
4 see such a dynamic community growing. He's served as
5 mayor over these many years.

6 And so we thank you, Mayor, for your leadership
7 for guiding this wonderful region of our state to all the
8 successes that you just talked about.

9 Chairman, I don't have any other cards. I
10 don't know if the clerk has any other cards. No others.

11 And Mayor Reid and Commissioner Sebesta and
12 Representative Thompson have requested permission for
13 their delegation to move to the Capitol. They're here to
14 work today, knock on doors, and if there's no objection,
15 Chairman and members, they'd request permission to move
16 that assignment.

17 MR. HOUGHTON: That would be great. And I'll
18 tell you what we'll do, we'll have about a five- to seven-
19 minute recess to reconfigure the room and then we'll move
20 on with our business and we can adequately send them off
21 to the Capitol to do the work of the transportation system
22 for the Great State of Texas. Thank you.

23 (Whereupon, a brief recess was taken.)

24 MR. HOUGHTON: We'll reconvene at 9:38.

25 The next order of business is the minutes.

1 Everybody had a chance to review the minutes from our
2 January 31, 2013 commission meeting, and they are posted,
3 they are in your books. Is there a motion?

4 MR. UNDERWOOD: So moved.

5 MS. MOSELEY: Second.

6 MR. HOUGHTON: All in favor?

7 (A chorus of ayes.)

8 MR. HOUGHTON: Thank you.

9 I think that's it, Phil, I think I turn it over
10 to you.

11 MR. WILSON: Thank you, Mr. Chairman.

12 With that, the first item on the agenda is 3a,
13 the Federal Lands Access Program. This item will be
14 presented by Director of Planning Marc Williams.

15 MR. WILLIAMS: Good morning. Mr. Chairman,
16 commission members, Mr. Wilson. For the record again, my
17 name is Marc Williams, director of Planning for the Texas
18 Department of Transportation.

19 Item 3a is a minute order that authorizes the
20 executive director to appoint representatives to the
21 Programming Decisions Committee for the Federal Lands
22 Access Program. This is a program that was established
23 under MAP-21 and with MAP-21 there was an allocation of
24 approximately \$3 million to the State of Texas, or to be
25 administered in the State of Texas under this program by

1 the U.S. Department of Transportation.

2 The Federal Lands Access Program provides an
3 opportunity for projects that provide access to, are
4 adjacent to or located within federal lands in the State
5 of Texas, such as our national historic sites, national
6 forests, parks, grassland areas and tribal lands. The
7 Programming Decisions Committee will make recommendations
8 to the USDOT regarding projects to be funded under this
9 program.

10 The committee, as outlined by MAP-21, is
11 comprised of a representative from the Federal Highway
12 Administration, a representative from TxDOT and a person
13 from an appropriate political subdivision in the State of
14 Texas that will represent the interests of the entire
15 state. So the minute order also assigns responsibility to
16 the County Judges and Commissioners Association of Texas
17 to work with TxDOT in appointing a local representative to
18 serve in this capacity on this committee.

19 Staff recommends approval for this minute
20 order. We'll be happy to answer any questions.

21 MR. AUSTIN: So moved.

22 MR. HOUGHTON: Second?

23 MR. UNDERWOOD: Second.

24 MR. HOUGHTON: All in favor?

25 (A chorus of ayes.)

1 MR. HOUGHTON: Thanks, Marc.

2 MR. WILSON: Next up is item 3b, the
3 appointment of members to the Grand Parkway Association
4 Board of Directors. Director of Planning Marc Williams
5 will also present this item. Marc.

6 MR. WILLIAMS: Thank you again, Phil. For the
7 record again, my name is Marc Williams, director of
8 Planning for TxDOT.

9 Item 3b will appoint two new members to the
10 Grand Parkway Association Board of Directors. The Grand
11 Parkway Association is a nonprofit state transportation
12 corporation authorized by TxDOT through Minute Order 82325
13 that as passed on October 25, 1984. The Grand Parkway
14 Association was established to facilitate the efficiency
15 development of Houston's third outer highway loop to serve
16 regional mobility needs across the area.

17 The association operates on funds received from
18 various sources, including TxDOT, Metro, Harris, Fort
19 Bend, Chambers, Galveston, and Brazoria counties. The
20 association is governed by a seven-member board of
21 directors, appointed by the Texas Transportation
22 Commission, and this board is required to make semiannual
23 reports to TxDOT detailing the status and financial
24 information in various project segments in the development
25 of the parkway.

1 This minute order is to approve the appointment
2 of two new representative board members to serve on the
3 Grand Parkway Association Board of Directors, Mr. Jodie
4 Jiles and Mr. Joe Slovacek, who are with us today. These
5 individuals will be replacing two outgoing members, Mr.
6 John Chiang and Ed Poole, who have respectively served the
7 Grand Parkway Board for 14 and 12 years each.

8 You have biographical information on both Mr.
9 Jiles and Mr. Slovacek. Both are residents of Harris
10 County and both have a distinguished background of
11 community service, serving on various boards and
12 commissions in the area. Mr. Jiles brings a background in
13 municipal finance and investment, and Mr. Slovacek's
14 background is in commercial business and real estate.

15 Applications for both Mr. Jiles and Mr.
16 Slovacek were submitted and reviewed by the department in
17 accordance with the provisions under Title 43 of the Texas
18 Administrative Code, including financial disclosure
19 statements, letters of reference, and execution of bond
20 conditioned on their faithful performance of the
21 directors' duties.

22 I'll be happy to answer any questions. Staff
23 recommends approval of this minute order.

24 MS. MOSELEY: Chairman, I'm very, very pleased
25 today that both of these gentlemen have offered their

1 credentials to serve on a very important assignment. The
2 Grand Parkway Association is a dynamic organization that
3 is going to be integral in helping us complete the
4 construction of this roadway. That is especially
5 important now with the Panama Canal opening a new lane and
6 bringing more enhanced tonnage into our port communities.

7 So I'm very, very pleased that Joe Slovacek and Jodie
8 Jiles would offer their credentials to this commission for
9 approval.

10 I did want to say a personal thank you to John
11 Chiang. He has, again, as Marc said, served 14 years on
12 the board. This is wonderful volunteer activity that John
13 has given us. And Ed Poole, again, serving for a
14 distinguished period of time. We want to thank very
15 heartily these volunteers.

16 We also have with us Chris Olavson who is a
17 director on the Grand Parkway Association, and Chris if
18 you would just raise your hand so the commission members
19 would recognize you. We thank you Chris for your activity
20 on this very dynamic board.

21 And David Gornet is here. Where is David?
22 David is back here, he is the executive director of the
23 Grand Parkway Association.

24 But I'd be pleased to move approval of the
25 recommendation of staff to receive Joe Slovacek and Jodie

1 Jiles onto the directorship of the Grand Parkway
2 Association.

3 MR. HOUGHTON: I'm going to hold that just for
4 a second.

5 MS. MOSELEY: Yes, sir.

6 MR. HOUGHTON: I do have yellow cards. Jodie
7 and Joe, did you want to speak? We could have
8 confirmation like they have confirmation for Secretary of
9 Defense, they just recently had one. Jodie, would you
10 like to go through that right now?

11 (General laughter.)

12 MR. HOUGHTON: Joe, sure? It's forever hold
13 your peace.

14 I've known Jodie for a while and Joe most
15 recently, and I appreciate them being willing to serve on
16 this board.

17 Are there any other questions from any other
18 members or a second?

19 MR. AUSTIN: I'll second the motion.

20 MR. HOUGHTON: All in favor?

21 (A chorus of ayes.)

22 MR. HOUGHTON: Thank you very much.

23 MS. MOSELEY: Chairman, I just would add, too,
24 that members, in each of your packages you have letters of
25 recommendation for both Mr. Slovacek, as well as Mr.

1 Jiles, so additional to their credentials, they come very
2 highly recommended.

3 So thank you very much, gentlemen, for offering
4 your services.

5 MR. HOUGHTON: Thanks, guys.

6 MS. MOSELEY: Chris, thank you for your service
7 as well.

8 MR. HOUGHTON: How many members on the board?

9 MS. MOSELEY: There are, Marc, how many?
10 Seven, total of seven. And they're six-year terms of
11 duty, and these volunteers that give us so much time do
12 have to go through all of the same clearances that we go
13 through as members of the commission. They have to file
14 with the Ethics Commission and make all the transparent
15 declarations that one would expect on this service, but
16 it's a very important service to the state.

17 MR. HOUGHTON: Great. Thanks for your service.
18 Thanks, Joe and Jodie.

19 MS. MOSELEY: Thank you, gentlemen.

20 MR. WILSON: Moving on to item 4, the awarding
21 of federal and state grant funding for airport improvement
22 projects in various locations. This item will be
23 presented by Aviation Division Director Dave Fulton.
24 Dave.

25 MR. FULTON: Thank you, Phil. For the record,

1 my name is Dave Fulton, director of TxDOT Aviation.

2 Item 4 is a minute order that contains a
3 request for grant funding approval for eight airport
4 improvement projects. The total estimate cost of all
5 requests, as shown in Exhibit A, is approximately \$13.7
6 million: approximately \$11.4 million in federal funding,
7 \$900,000 in state funding, and \$1.4 million in local
8 funding.

9 A public hearing was held on January 24. No
10 comments were received. We would recommend approval of
11 this minute order.

12 MR. HOUGHTON: Question, Mr. Underwood?

13 MR. UNDERWOOD: Dave, I've got a question for
14 you. On the pavement improvements at Conroe, explain to
15 me what those are. The reason why I'm asking that,
16 because when I met with some of the county commissioners,
17 they wanted to extend their runway, if I remember
18 correctly, across the highway.

19 MR. FULTON: This is the culmination of that
20 project, and in fact, we have a project to add 1,000 feet,
21 Montgomery County is paying 100 percent for an additional
22 500 feet, building for the future, so it's obvious they're
23 very committed to this airport.

24 MR. UNDERWOOD: They've already got the land,
25 if I remember correctly, dedicated and they own it, so

1 it's basically just somehow routing the road around.

2 MR. FULTON: Right. It is extending the runway
3 and also building a new parallel taxiway to accommodate
4 the runway as well. So it will put them in good shape.

5 MR. UNDERWOOD: Okay. Because who uses that
6 airport as well as the general?

7 MR. FULTON: It is becoming sort of the
8 corporate business airport of choice on the north part of
9 Houston, like Sugar Land is on the south. In fact, a
10 gentleman from The Woodlands has just made a \$15 million
11 investment for a new fixed base operation at the Lone Star
12 Executive Airport. So it's a business use airport.

13 MR. UNDERWOOD: And they have a contract tower,
14 if I remember correctly. Is that right?

15 MR. FULTON: They do. Of course, as you
16 probably have read --

17 MR. UNDERWOOD: I understand. We won't go down
18 that road. Let's wait and see what happens with
19 sequester.

20 MR. FULTON: Yes, sir.

21 MR. UNDERWOOD: But I notice that they also
22 have military use of it, federal use of it. Federal has
23 their own hangars.

24 MR. FULTON: They do. It's a very rapidly
25 growing airport because of the business growth in the

1 Houston area on that side.

2 MR. UNDERWOOD: And to my fellow commissioners,
3 this is a good investment for state dollars and federal
4 dollars.

5 MR. FULTON: Well, thank you.

6 MR. HOUGHTON: Any other questions? Is there a
7 motion?

8 MR. UNDERWOOD: So moved.

9 MR. AUSTIN: Second.

10 MR. HOUGHTON: All in favor?

11 (A chorus of ayes.)

12 MR. HOUGHTON: Thanks, Dave.

13 MR. FULTON: Thank you, Chairman.

14 MR. UNDERWOOD: Appreciate it, Dave.

15 MR. WILSON: Next up is item 5a, the award of
16 federal and state funds to the Midland-Odessa
17 Transportation Organization. This item will be presented
18 by Public Transportation Division Director Eric Gleason.
19 Eric.

20 MR. GLEASON: Good morning. For the record, my
21 name is Eric Gleason, TxDOT's director of Public
22 Transportation.

23 Agenda item 5a awards approximately \$23,000 in
24 Federal Transit Administration Section 5304 Program funds,
25 and state matching funds, to the Midland-Odessa

1 Transportation Organization, MOTOR MPO to continue
2 regionally coordinated public transportation planning
3 efforts.

4 Regionally coordinated public transportation
5 planning is a requirement under state statute, as well as
6 for Federal Section 5310 Program funding. The commission
7 routinely awards funding to support this effort in the
8 state's 24 regional planning areas. MOTOR MPO is the lead
9 agency for this work in planning Region 9 of the state.

10 Staff recommends your approval of this minute
11 order.

12 MR. HOUGHTON: Any questions of Eric?

13 MR. AUSTIN: So moved.

14 MR. UNDERWOOD: Second.

15 MR. HOUGHTON: All in favor?

16 (A chorus of ayes.)

17 MR. HOUGHTON: Thanks, Eric, on that one.

18 MR. WILSON: Item 5b is the award of
19 transportation development credits to the Texoma Area
20 Paratransit System. Eric will continue with this item.

21 MR. GLEASON: Thank you.

22 Agenda item 5b awards approximately 619,000
23 transportation development credits to match various
24 federal awards for capital and operating projects in the
25 Texoma Area Paratransit System, otherwise known as TAPS.

1 This award helps TAPS address an unanticipated shortfall
2 in fiscal year 2013 contract service revenue as a result
3 of changes in the Medicaid Medical Transportation Program.
4 Approximately 550,000 transportation development credits
5 will be used for operating purposes, with the remaining
6 balance for various capital projects.

7 An independent verification of need was
8 performed by the Texas A&M Transportation Institute. This
9 one-time award of TDCs for operating will allow TAPS to
10 continue current service levels through the end of this
11 fiscal year.

12 Staff recommends your approval of this minute
13 order.

14 MR. HOUGHTON: Questions?

15 MR. UNDERWOOD: Eric, if I understand
16 correctly, also, this is a one-time award and they've been
17 able to figure out how they're going to do funding in the
18 future. Is that correct?

19 MR. GLEASON: That's correct. They have plans
20 to make changes to the budget to address this issue in the
21 future.

22 MR. UNDERWOOD: I appreciate that. Thank you.

23 MR. HOUGHTON: Is there a motion?

24 MR. UNDERWOOD: So moved.

25 MR. AUSTIN: Second.

1 MR. HOUGHTON: All in favor?

2 (A chorus of ayes.)

3 MR. HOUGHTON: Thanks, Eric.

4 MR. GLEASON: Thank you.

5 MR. WILSON: Next is item 6, approval of the
6 selection of the developer who submitted the best value
7 proposal to design, construct and maintain the US 77
8 upgrade in Nueces and Kleberg counties. This item will be
9 presented by Strategic Projects Division Director Ed
10 Pensock. Ed.

11 MR. PENSOCK: Good morning, commissioners,
12 Chairman, Director Wilson. For the record, Ed Pensock,
13 Strategic Projects Division of TxDOT.

14 Item 6 contemplates the award of a design-build
15 contract for US 77 upgrades in Nueces and Kleberg
16 counties. In 2011, the legislature gave us authority to
17 award up to three design-build contracts every year. This
18 will be the second of those three that we'll award in
19 2013.

20 This project is a significant piece of I-69, of
21 future I-69. It's a critical link in the I-69 system into
22 South Texas. It contemplates improvements of US 77 from
23 north of Kingsville in Kleberg County to south of Driscoll
24 in Nueces County, an important project for the region.

25 Again, I apologize for a little bit of a

1 detailed engineering drawing up on the screen, but
2 basically, when you upgrade a freeway to interstate
3 standards, basically you're controlling all the access, so
4 you're removing driveways and removing at-grade
5 intersections. So basically, we're building frontage
6 roads, buying access denial, constructing frontage roads,
7 and constructing three new intersections, diamond
8 intersections along the route. So again, it's kind of
9 using a lot of existing pavement to make the project more
10 efficient and building new pavement, again, to upgrade to
11 interstate standards.

12 Procurement history. Funds were identified
13 originally in the summer of 2012 for this critical piece
14 of I-69 and the project moved through a fairly fast
15 development schedule and time frame. We did receive
16 proposals in December of 2012. Unfortunately, those
17 proposals were slightly higher than what we had
18 anticipated. We published a request for a best and final
19 offer in January of 2013. We received submittals on those
20 best and final offers in February. Staff has been
21 evaluating those proposals and are here this morning to
22 make the award.

23 We did receive four very strong, very good
24 proposals from four very good consortiums. The first
25 consortium was led by the construction company Anderson

1 Columbia, Inc., and their team is shown up on the screen
2 now. The second team that we received proposals from were
3 a grouped by Austin Bridge and Road and Bay, Ltd.
4 Construction. The third team was a group identified as
5 Route 77 Constructors, led by J.D. Abrams and Haas-
6 Anderson Construction. The fourth proposal was submitted
7 by Webber Construction Corporation, and that's their team.

8 Through our typical process these proposals go
9 through a very rigorous evaluation procedure, several
10 different components to it, several different
11 subcommittees that review both technical and pricing
12 components, with multiple levels of review and
13 recommendation, predicated on the best value
14 determination. Again, it's a best value determination,
15 not necessarily just a low bid determination, so we do a
16 lot of diligence to ensure that the state is getting the
17 best value for these types of contracts.

18 Again, that evaluation and award on this
19 project was basically set up with 85 percent of the award
20 decided by the base price and 15 percent of the award
21 decision based on technical project development
22 components. Again, the base price is actually a
23 combination of the base construction price of the project,
24 a value of alternative technical concept adjustments, and
25 a present value of maintenance components of the project.

1 With that, staff would like to make
2 recommendation [drum roll sound effects] detailed
3 evaluations resulting in recommendation for award for
4 Austin-Bay Joint Venture.

5 MR. HOUGHTON: Who said an engineer doesn't
6 have a sense of humor?

7 (General laughter.)

8 MR. PENSOCK: The evaluation again came down
9 with those four teams with Austin-Bay providing the
10 strongest combination of price and technical proposal of
11 96.83 points out of 100. Anderson-Columbia was the second
12 best value determination with 89.49 points out of 100.

13 The contract value of what we contemplate and
14 put before you this morning has about a \$71.96 million
15 base construction component, has about a \$22.58 million
16 maintenance component. That is broken into three five-
17 year increments. The first five-year increment, the
18 department is obligated and will sign that first five-year
19 capital maintenance agreement, and that value of those
20 first five years is about \$2.9 million. The total
21 contract value with all 15 years of operations and
22 maintenance could reach as high as \$94.5 million. The
23 construction and the first five years will be \$74.9
24 million.

25 The next steps are to negotiate final terms for

1 the design-build agreement with the best value proposer.
2 Basically, that consists of taking alternative technical
3 concepts from other teams and seeing if there's any value
4 incorporating them in with this developer's construction
5 plan. We'll move on with final FHWA, Federal Highway
6 Administration, concurrence and execution of the contract.

7 Construction is anticipated to be completed within three
8 years with at least one five-year capital maintenance
9 agreement initiating after that construction.

10 Again, because these are best value
11 determinations, the department takes a lot of rigor in
12 doing its evaluations, and I stand here before you as a
13 representative of many people that participated in this
14 process, none the least is Caroline Love that developed
15 our drum roll for us.

16 With that, staff recommends and requests your
17 approval of this minute order, and I'm available to answer
18 any questions.

19 MR. AUSTIN: Ed, I have a question. I'm going
20 to back to your map, it shows on 77, when it comes into
21 Kingsville, I remember we drove this when we had our
22 commission meeting down in Corpus, there's a couple of
23 bridges coming through Kingsville. Is that section going
24 through town, is that up to interstate standards as well?

25 MR. PENSOCK: The section from Farm to Market

1 Road 70 south -- I'm sorry -- the section from Farm to
2 Market Road 1898 south is currently up to interstate
3 standards. That ties back into 77 south of Kingsville.
4 So we have a short piece that is up to interstate
5 standards that gets us to the northern part of Kingsville,
6 what's shown on the map as Farm to Market Road 1898

7 MR. AUSTIN: So when we make the application to
8 dual designate it as I-69, we'll include that section as
9 well?

10 MR. PENSOCK: With the construction of this
11 project, in combination with that southern piece coming
12 out of Kingsville, it would be eligible to be designated
13 as I-69. Yes, sir. An important piece, the next project
14 that we hope to have before you sometime in the not too
15 distant future would take the construction from north of
16 Bishop and around Driscoll, and with that project and this
17 project, that will be a significant increase of Interstate
18 69, basically from I-37 to south of Kingsville.

19 MR. AUSTIN: Great. Thank you.

20 MR. HOUGHTON: Any other questions?

21 MR. AUSTIN: I would move approval.

22 MR. HOUGHTON: Not yet. I have a question. So
23 what we're obligating ourselves to here today, go to your
24 numbers, I just want to make sure -- there you go -- we
25 are obligating ourselves to \$71.9- and \$2.9-.

1 MR. PENSOCK: Yes, sir.

2 MR. HOUGHTON: And the contractor/developer
3 will maintain the facility for the first five years.

4 MR. PENSOCK: They'll provide capital
5 maintenance which is not necessarily mowing and litter
6 pickup and routine maintenance, but they'll provide
7 capital maintenance and maintaining the pavement and the
8 bridges and the structures. Yes, sir.

9 MR. HOUGHTON: I just want to make sure
10 everybody knows what we're voting on. It's about \$74
11 million.

12 MR. PENSOCK: \$74 million, yes, sir, \$74.9
13 million.

14 MR. HOUGHTON: And then our option on the
15 balance, if we so choose. We have a fixed price for six
16 and beyond. Correct?

17 MR. UNDERWOOD: Did I understand correctly,
18 originally we thought it was going to be less than that
19 and we had to go back and redo to get the price down
20 because all the bids were too high? Am I understanding
21 that correctly?

22 MR. PENSOCK: Yes, sir, that's correct,
23 Commissioner.

24 MR. UNDERWOOD: Even then, it's still higher
25 than what we thought it was going to be.

1 MR. PENSOCK: It's a little higher than what we
2 originally anticipated. We've run into some very
3 interesting dynamics in South Texas. Competition for
4 labor, competition for truck drivers, competition for
5 hauling trucks, competition for materials is pretty steep
6 in South Texas, what with the energy production that's
7 going on down there. So that and several other factors
8 have actually caused this project's prices to be slightly
9 above what we had anticipated. Yes, sir.

10 MR. UNDERWOOD: Thank you.

11 MR. HOUGHTON: Any other questions? Now you
12 can make your motion.

13 MR. AUSTIN: I move approval as presented.

14 MR. HOUGHTON: Is there a second?

15 MR. UNDERWOOD: Second.

16 MR. HOUGHTON: All in favor?

17 (A chorus of ayes.)

18 MR. HOUGHTON: Thanks, Ed.

19 MR. WILSON: Item 7a is approval of the
20 selection of the best value proposal to support the
21 operation of the customer service center and back office
22 system for current and future toll facilities. This item
23 will be presented by Toll Operations Division Director
24 Doug Woodall. Doug.

25 MR. WOODALL: Gentlemen, for the record, Doug

1 Woodall, Toll Operations Division.

2 As Mr. Wilson said, this item is for the award
3 of the best value proposal in support of customer service
4 center and back office systems for current and future toll
5 facilities. Scoring for this proposal was the best value
6 technical price process, where 60 percent was based on
7 technical and 40 percent based on price. Evaluations and
8 scoring of each proposal resulted in an award
9 recommendation to Xerox State and Local Solutions. This
10 contract would net over \$5 million per year savings in
11 toll operations in 2013 dollars.

12 Staff recommends your approval of this minute
13 order.

14 MR. HOUGHTON: Questions? Don't make that
15 motion yet, Jeff.

16 Give us some highlights on this over/under
17 savings, maybe. What do we look at?

18 MR. WOODALL: If we're comparing our current
19 processes.

20 MR. HOUGHTON: Right, that's your basis.
21 Right?

22 MR. WOODALL: Right. Where we pay for staff,
23 pay for equipment up front to do the work. This contract
24 is based on actual transactions paid, then the vendor gets
25 paid from that. So if they don't collect, they don't get

1 paid. Their rates bid for the one that's recommended
2 bring our current rate for tag transactions from in the 18
3 cent per transaction rate -- it varies by roadway
4 depending on the effort put into each one -- but it's
5 approximately 18 cents per transaction down to 5 cents per
6 transaction.

7 MR. HOUGHTON: Eighteen to five.

8 MR. WOODALL: Yes.

9 MR. HOUGHTON: Significant.

10 MR. WOODALL: That's the majority of the
11 savings. There's also some other savings in our pay-by-
12 mail or video billing process where we average, depending
13 on the roadway, again, between 33 and 40 cents per
14 transaction down to a flat rate of 31 cents per
15 transaction. But significant savings.

16 MR. UNDERWOOD: But these are all based off of
17 collections. Is that correct?

18 MR. WOODALL: Yes, sir.

19 MR. UNDERWOOD: Not billings.

20 MR. WOODALL: Right.

21 MR. UNDERWOOD: Not billings but collections.

22 MR. HOUGHTON: Right. We get paid first.

23 MR. UNDERWOOD: Is that correct?

24 MR. WOODALL: Yes, sir.

25 MR. UNDERWOOD: So if they bill \$10 and the

1 only collect \$8, what happens?

2 MR. WOODALL: They pay on the per-transaction
3 rate of what they actually collect.

4 MR. HOUGHTON: Significant difference.

5 MR. UNDERWOOD: Right.

6 MR. HOUGHTON: Okay. Go ahead, Bill.

7 MR. MEADOWS: I'm just curious about our
8 evaluation and performance demonstrations. I mean, I
9 assume we've gotten into will it work. That's really the
10 question.

11 MR. WOODALL: Yes, sir. Actually, up until
12 about eight o'clock last night, TxDOT staff was doing an
13 actual in-production evaluation of the top two proposers'
14 systems. So rather than rely on an evaluation and then
15 recommendations from other toll agencies as a basis for
16 evaluation, we said prove it. So up until last night we
17 were having them prove it, and there was nothing shown in
18 those evaluations that would give us any concern that they
19 could not meet the requirements of the contract.

20 MR. HOUGHTON: Now, these services are for the
21 CTTS. Correct?

22 MR. WOODALL: It's for all facilities operated
23 by TxDOT, so CTTS plus State Highway 255, currently Loop
24 49, and State Highway 99, Segment I-2.

25 MR. HOUGHTON: Okay.

1 MR. AUSTIN: And I want to follow up on that
2 question. At some point I guess you've had discussions,
3 you look at the interoperability with the other entities.

4 All is well, will be well, will work?

5 MR. WOODALL: Yes, sir. We continue to look at
6 that and to look at opportunities to expand that to other
7 states as well. NTTA has been doing outstanding work in
8 that regard and is leading that effort, and we're
9 participating with them as well.

10 MR. HOUGHTON: Any other questions? Does
11 anybody want to speak on this? Nothing?

12 (No response.)

13 MR. HOUGHTON: Motion?

14 MR. AUSTIN: So moved.

15 MR. MEADOWS: Second.

16 MR. HOUGHTON: All in favor?

17 (A chorus of ayes.)

18 MR. HOUGHTON: Thank you. Thanks, Doug.

19 MR. WILSON: Moving on to item 7b, the State
20 Highway 249 project, this item will be presented by
21 Strategic Project Division Director Ed Pensock. Ed.

22 MR. PENSOCK: Thank you, Phil. Again, Ed
23 Pensock with the Strategic Projects.

24 Item 7b authorizes the executive director to
25 enter into an agreement with Harris County for the use of

1 state-owned median right of way on State Highway 249. The
2 county will use the right of way to develop, construct,
3 operate and maintain the State Highway 249 toll lanes
4 between Spring-Cypress Road and Brown Road as part of the
5 county toll road system. Item 7b also approves the
6 county's request that the State Highway 249 toll roads not
7 become part of the state highway system.

8 Pursuant to Transportation Code 284.008,
9 commission approval is required for the project to be
10 developed off the state highway system. This item also
11 approves the agreement such that it requires the county to
12 reimburse the department for actual costs to acquire the
13 right of way needed for the project in the amount of
14 \$31,705,155.

15 Staff is here to answer any questions on this
16 minute order and recommends your approval.

17 MS. MOSELEY: Chairman, if it's appropriate,
18 I'd like to go ahead and move approval.

19 MR. HOUGHTON: Not yet, though. Question, this
20 goes to the county line, Harris County line?

21 MR. PENSOCK: Yes, sir, goes right up to the
22 county line.

23 MR. HOUGHTON: Can you describe, and I don't
24 see anything in our -- maybe I don't have it -- a map that
25 tells you the bigger picture or if you can illustrate in

1 your marketing genius that you displayed a few minutes
2 ago, the drum roll, the entire 249 project as envisioned
3 out into the future?

4 MR. PENSOCK: I'd be happy to, yes, sir. State
5 Highway 249 is a critical freeway arterial in and out of
6 northwest Houston. It is currently a controlled access
7 freeway section, basically from 610 and south of there out
8 northwest out to basically Spring-Cypress Road which is
9 just the other side of Beltway 8. This project will pick
10 up that freeway configuration, if you will, or that
11 controlled access configuration, if you will, and continue
12 it about another four miles around the community of
13 Tomball. This might be also referred to as the Tomball
14 relief route, if you will, in Harris County.

15 This portion goes up to the county line, the
16 next phase would be anticipated to be developed by
17 Montgomery County and the Montgomery County Toll Road
18 Authority, that would take it from the county line up to
19 about another five or six miles north of there to Farm to
20 Market Road 1174. TxDOT and the Houston District and
21 Bryan District and Marc Williams are working very hard on
22 the extension of that project from FM 1174 in Montgomery
23 County into Grimes County, with the ultimate ideal being
24 that it will be an express controlled access lanes from
25 State Highway 6 in Navasota, Texas, in Grimes County, all

1 the way into the heart of Houston. So a critical project,
2 very important project.

3 MR. HOUGHTON: This is the first step.

4 MR. PENSOCK: Well, this is a significant step.

5 MR. HOUGHTON: A significant step. We've been
6 taking steps. Now, is this still on our CDA list?

7 MR. WILSON: It is on part of the CDA list.

8 MR. HOUGHTON: It's on part of the CDA list.

9 MR. PENSOCK: Commissioner, we received
10 authority in 2011 to develop this project as a
11 comprehensive development agreement. Harris County and
12 Montgomery County have retained primacy for this project,
13 so they are developing it under their means. I believe
14 Harris County will probably do a more traditional design-
15 bid-build project, but they are moving forward with the
16 project.

17 MR. HOUGHTON: And Montgomery County, where are
18 they?

19 MR. PENSOCK: Montgomery County is shortly
20 behind. They are putting together, they have at this
21 point retained primacy, and they anticipate moving their
22 project forward in the very near future.

23 MR. HOUGHTON: Does this road have a name?

24 MR. PENSOCK: State Highway 249.

25 MR. HOUGHTON: Another name.

1 MR. PENSOCK: Some might have referred to it as
2 another name, sir, yes, sir.

3 MR. HOUGHTON: You're not going to take the
4 bait, are you?

5 MR. PENSOCK: My boss is a Longhorn.

6 (General laughter.)

7 MR. HOUGHTON: Really.

8 MR. PENSOCK: My performance evaluation is
9 later today.

10 MS. MOSELEY: Mr. Chairman.

11 MR. HOUGHTON: Jeff.

12 MS. MOSELEY: Commissioner Austin and I had a
13 chance last week to meet with leadership from Harris and
14 Montgomery counties, and this is a wonderful corridor
15 that, number one, would ideally link A&M to Houston
16 Intercontinental Airport with a one-hour drive time, and
17 that is a very important deliverable to the economy of the
18 state, and secondarily, it ties into the Hardy Toll Road
19 system which would allow the research complex of A&M to
20 have very direct access to the Texas Medical Center. So
21 this is a wonderful step.

22 The rest of the story, as far as Montgomery
23 County, I was very pleased to learn that there's
24 significant leadership in getting donations of right of
25 way, and we're very, very pleased to bring that report

1 back to this commission.

2 MR. PENSOCK: It might have been referred to as
3 the Aggie Expressway in previous generations.

4 MR. HOUGHTON: In previous generations.

5 The next question is what is the thinking of
6 Grimes County. Phil or Ed or Russell or Marc, somebody is
7 going to take this one. Because I've had some dealings
8 with Grimes County and they were very positive at one
9 time.

10 MR. ZAPALAC: Good morning, commissioners.
11 Russell Zapalac, chief Planning and Projects officer.

12 We've had some great discussions with Grimes
13 County. We're starting to form working groups up in
14 Grimes County to get them involved in the discussions.
15 Basically, we're kicking off feasibility and planning
16 studies. To date, the Grimes County folks have been very
17 amenable to sitting down and working out the alignment to
18 Navasota.

19 MR. HOUGHTON: Now, this is on existing
20 footprint. Right? There's a farm to market that we would
21 be overlaying the Aggie toll road, supposedly.

22 MR. ZAPALAC: There is 105 is one of the
23 options. They're also looking at southerly alignments and
24 alignments north of that as well.

25 MR. HOUGHTON: Okay. It would be a green field

1 then.

2 MR. ZAPALAC: Yes, sir.

3 MR. HOUGHTON: Okay. Not over existing asset.

4 MR. ZAPALAC: Again, the existing 105 is
5 certainly one of the options but there's railroad tracks
6 and residential property that would create the necessity
7 for relocations and such there, so that's not as clean as
8 it could be.

9 MR. HOUGHTON: Okay. Well, it's exciting
10 times, very exciting. I know this has been long in
11 coming, we've been talking about this for as long as I've
12 been on the commission.

13 With that, Commissioner Moseley?

14 MS. MOSELEY: So moved, Chairman.

15 MR. UNDERWOOD: Second.

16 MR. HOUGHTON: All in favor?

17 (A chorus of ayes.)

18 MR. HOUGHTON: That was easy, Ed. It passes.

19 MR. PENSOCK: Thank you, sir.

20 MR. WILSON: Next is item 7c, consideration of
21 the transfer of Segments 1, 2, 3A and 5 of Loop 49 to the
22 NET RMA.

23 MR. AUSTIN: Mr. Chairman, as this is
24 considered, I will need to abstain from this, given my
25 prior role with the NET RMA.

1 MR. WILLIAMS: For the record again, my name is
2 Marc Williams, director of Planning for TxDOT.

3 Item 7c is a minute order to remove Segments,
4 1, 2, 3A and 5, as well as the right of way underlying
5 Segment 3B of Loop 49, locally known as Toll 49, from the
6 state highway system, and transfer responsibility to the
7 North East Texas Regional Mobility Authority, NET RMA.
8 These 26 miles of segments extend from State Highway 110
9 southeast of Tyler to Interstate 20 northwest of Tyler.

10 On March 31, 2011, the department and the NET
11 RMA entered into a project development, operation and
12 maintenance agreement for the Toll 49 project and this
13 agreement provides that the parties intend, after the NET
14 RMA accomplishes the substantial completion of Segment 3B,
15 and after compliance with the applicable Transportation
16 Administrative Code requirements, that these segments and
17 the right of way be removed from the state highway system
18 and transferred to the NET RMA. The NET RMA has
19 substantially completed the Segment 3B and will be opening
20 it to traffic on or about March 31 of this year.

21 In accordance with the original project
22 development agreement, the minute order requires
23 responsibility for repayment of the State Infrastructure
24 Bank loan, toll equity loans and financial assistance
25 provided to the NET RMA for the Toll 49 project.

1 A public hearing was held on this matter in
2 Tyler on February 5 of this year. Two official comments
3 were submitted by adjacent property owners, neither of
4 which opposed the transfer of the project, and their
5 comments were satisfactorily addressed by the district.

6 Staff recommends approval for this minute
7 order.

8 MS. MOSELEY: So moved, Chairman.

9 MR. UNDERWOOD: Second.

10 MR. HOUGHTON: All in favor?

11 (A chorus of ayes.)

12 MR. HOUGHTON: That was too easy. Wait a
13 minute. That was just way too easy.

14 MR. AUSTIN: I would like to make a couple of
15 comments.

16 MR. HOUGHTON: Wait a minute, we haven't passed
17 it yet. Hold on.

18 Counselor, he has to recuse himself. Correct?

19 MR. AUSTIN: There was already a vote.

20 MR. HOUGHTON: I'm just kidding. Go ahead. We
21 have a motion and a second. All in favor?

22 (A chorus of ayes.)

23 MR. HOUGHTON: It passes. Now, Jeff Austin,
24 you may speak.

25 MR. AUSTIN: I'd like to say thank you to all

1 the local partners, Smith County and the region that made
2 this happen. This has been a project that the locals
3 decided to advance a desperately needed loop, begin to
4 look at coordinating, working with Longview ultimately on
5 the Hourglass. But this was a project that was supported
6 regionally, multiple counties, multiple jurisdictions, and
7 what a great example of where the county, the city, the
8 MPO, the economic development corporation, the chamber all
9 came together to make a priority and to make it happen,
10 and elected locally to toll it in order to advance the
11 project. And there was some local match, local funds that
12 were put in, and I know they're looking at extending it
13 and I know they're beginning to look at ways to refinance
14 and to pay off the SIB loan and move this project forward
15 for East Texas.

16 So thanks to all the regional partners, and
17 also, putting on my former hat, to TxDOT, to the fellow
18 commissioners in the past for all the help that was put
19 forth in making this become a reality outside a major
20 metropolitan area.

21 MR. HOUGHTON: Your interim executive director
22 would love to speak. Everett, would you like to come up?
23 Now, where is Fulshear, Texas?

24 MR. OWEN: West of Houston.

25 MR. HOUGHTON: Okay. Welcome.

1 MR. OWEN: Thank you. Good morning, Mr.
2 Chairman. I hesitate coming up here and speaking since
3 you've already taken the action.

4 MR. HOUGHTON: Why? It's easy. We can always
5 go backwards.

6 MR. OWEN: Brian told me not to say anything
7 that would screw it up.

8 My name is Everett Owen. I am the interim
9 executive director for the North East Texas RMA.

10 On behalf of the board of directors and Chair
11 Thomas, I want to thank you all for taking the action that
12 you took. Toll 49 has already resulted in improved
13 mobility and enhanced economic development in the region,
14 and the opening of the last segment to Interstate 20 will
15 just accelerate that improvement.

16 This project wouldn't have been possible
17 without the innovative financial approach that involved
18 the RMA partnering with TxDOT. In addition, it certainly
19 wouldn't have been possible without the tireless efforts
20 of Randy Hopmann and his staff in Tyler.

21 We'd also like to thank, even probably more so,
22 Commissioner Austin, who was our chairman for a number of
23 years, and without his leadership and diligence, Toll 49
24 wouldn't be where it is today.

25 Again, on behalf of the board, I want to thank

1 you for your action. I'll be glad to answer any
2 questions.

3 MR. HOUGHTON: Everett, we lose sight of some
4 of the size and scope of these projects around the state
5 and it's fun to advertise. What's the total project cost
6 of the current system?

7 MR. OWEN: 3B was \$94 million, which is about
8 10 miles. The other segments, which are about 16 miles, I
9 think is probably in the neighborhood of \$100 million,
10 maybe a little more.

11 MR. HOUGHTON: That's a good size. Great.
12 Congratulations. It's a great day for North East Texas

13 MR. OWEN: It certainly is. Thank you.

14 MR. AUSTIN: Everett, I have a lot of questions
15 for you, but I'll save them.

16 (General laughter.)

17 MR. OWEN: Thank you.

18 MR. HOUGHTON: Thanks a lot.

19 MS. MOSELEY: Chairman, I wanted to
20 congratulate Commissioner Austin as the founding chair of
21 this RMA and giving six years. I know this must be a
22 wonderful occasion. But thank you for your leadership and
23 for your hard work.

24 And also, Chairman, in my short tenure, I
25 believe this agenda posting has the record number of

1 backup pages, 1,397.

2 MR. HOUGHTON: You haven't seen nothing yet.

3 MS. MOSELEY: All right. But congratulations
4 to Commissioner Austin.

5 MR. HOUGHTON: Wait. I need to ask a question.
6 Maybe I can ask you, Jeff. Is there bike lanes on this?
7 Are there any bike lanes on this thing, Jeff Austin? I
8 do ride a bike.

9 MR. AUSTIN: Mr. Chairman, thank you for your
10 question.

11 (General laughter.)

12 MR. HOUGHTON: That was rhetorical, so we can
13 let that one go.

14 Yours, Phil.

15 MR. WILSON: Thank you, sir.

16 Item 7d is concurrence in the election of a
17 chair and vice chair of the SH 183 Managed Lanes Project
18 in Dallas and Tarrant counties SB 1420 committee. This
19 item will be presented by Strategic Projects Division
20 Director Ed Pensock. Ed.

21 MR. PENSOCK: Commissioners, Ed Pensock,
22 Strategic Projects.

23 Item 7d provides for the commission's
24 concurrence with the election of Mr. Michael Morris and
25 Ms. Alberta Blair as chair and vice chair of the State

1 Highway 183 Managed Lanes Project SB 1420 Committee.

2 Transportation Code 27.92(c) requires
3 commission concurrence with the committee's election of a
4 chair and vice chair. On February 14, 2013, the committee
5 met and elected Mr. Morris, representing the North Central
6 Texas Council of Governments, and Ms. Blair, representing
7 Dallas County, as the chair and vice chair.

8 Department and local stakeholders are currently
9 analyzing options for the financing and delivery of the
10 State Highway 183 Managed Lanes Project, and those options
11 do require the formation of the SB 1420 Committee. The
12 project includes development, construction and operation
13 of SH 183 from State Highway 121 in Tarrant County to I-
14 35E in Dallas County, and any additional connecting
15 facilities that are necessary for connectivity and
16 financing. Development of the State Highway 183 Managed
17 Lanes Project is a crucial element in this region's
18 continued mobility and economic vitality.

19 Staff is here to answer any questions on the
20 committee or on the project, and recommends acceptance of
21 the minute order.

22 MR. HOUGHTON: I would recommend one thing, and
23 this goes to what I asked on the 249, a kind of a detailed
24 or an overview map of what we're talking about. I'm more
25 of a visual person, but to understand the scope of the

1 project, kind of backup information going forward.

2 But with that said, what's the anticipated size
3 of this project when you talk about size and potential
4 cost?

5 MR. PENSOCK: The project is a pretty big
6 project. It consists of what could be a total of 16 miles
7 of urban freeway reconstruction and improvement. We're
8 going through kind of the value engineering process and
9 one-on-one outreach with industry at this point. The
10 project could potentially get as big as \$2 billion, sir.

11 MR. HOUGHTON: Two billion.

12 MR. PENSOCK: Yes, sir, for all 16 miles. And
13 because of the size, we're contemplating a possible
14 concession which would encourage private investment and
15 leveraging of state dollars.

16 MR. HOUGHTON: And have you run the old back-
17 of-the-napkin type numbers as to how much is finance-able
18 and how much is going to be required in equity?

19 MR. PENSOCK: Preliminarily, yes, sir, we have.
20 Our early indication is that for a future commitment that
21 we would have to come back to you for of as much as \$600
22 million, we might be able to deliver that \$2 billion
23 project. You're not voting on that at this point in time.
24 It was just the committee.

25 MR. HOUGHTON: Oh, no, I know, I understand

1 that. I'm just trying to get a perspective of the amount
2 of dollars it's going to take to leverage the ultimate
3 configuration of that.

4 MR. PENSOCK: This could be a \$600 million
5 investment for the state that would leverage about \$2
6 billion of highway improvements.

7 MR. HOUGHTON: Okay. Any other questions?
8 Motion?

9 MS. MOSELEY: So moved.

10 MR. UNDERWOOD: Second.

11 MR. HOUGHTON: All in favor?

12 (A chorus of ayes.)

13 MR. HOUGHTON: You still up?

14 MR. PENSOCK: Yes, sir.

15 MR. WILSON: Next is item 7e, consideration of
16 the approval of a term sheet for a project agreement with
17 the North Texas Tollway Authority. Strategic Projects
18 Division Director Ed Pensock will continue with this item.
19 Ed.

20 MR. PENSOCK: Ed Pensock, Strategic Projects.

21 Item 7e approves a negotiated term sheet
22 between the department and the North Texas Tollway
23 Authority which is enclosed as Exhibit A of your minute
24 order, and that term sheet is a high-level outline of what
25 will be future agreements.

1 This minute order authorizes the executive
2 director of the department to negotiate future project
3 agreements for the development and financing of the
4 project with North Texas Tollway Authority. Those
5 agreements would prescribe the terms and conditions and
6 the financing components of the project.

7 This initial phase of State Highway 360 is a
8 planned ten-mile long toll project in Tarrant, Ellis and
9 Johnson counties, from south of Interstate 20 in Tarrant
10 County to US 287 in Ellis and Johnson Counties. Through
11 the term sheet, the department retains the discretion to
12 not proceed with the project if it is unable to fund or
13 execute a financing agreement with the North Texas Tollway
14 Authority, and through the term sheet, this item, if
15 approved, contemplates that those future agreements would
16 require coming back before this commission for final
17 approval.

18 Staff is here to answer any questions and
19 recommends acceptance of the minute order.

20 MR. HOUGHTON: Any questions?

21 MR. AUSTIN: I would just say I did drive this
22 a couple of weeks ago at about seven o'clock, and I hit a
23 dead end. So Commissioner Meadows, you're going to have
24 to do something about that.

25 MR. HOUGHTON: Dead end where?

1 MR. AUSTIN: I say I hit a dead end, there was
2 a lot of traffic and it all bottlenecks. There is a need
3 to see this.

4 May I ask would you go back over the numbers?
5 I know we're going to be looking at potentially TIFIA and
6 a couple of other things.

7 MR. PENSOCK: The plan of finance contemplates
8 a couple of different things. The goal is certainly to do
9 it without TxDOT direct investment or direct equity. The
10 plan of finance, which is certainly not finalized and
11 certainly very, very dynamic, contemplates project debt, a
12 non-recourse toll bond debt, the plan of finance
13 contemplates potential TIFIA debt, the plan of finance
14 contemplates probably other types of debt, potentially SIB
15 loan types of debt.

16 The term sheet does stipulate that any debt
17 that the department would take out would be paid back by
18 toll revenues from the project, and then at the exhausting
19 of all that debt and any necessary widenings of the
20 project, the long-term disposition would be that TxDOT/the
21 region and the North Texas Tollway Authority would split
22 revenues 50-50.

23 MR. HOUGHTON: Any other questions? Is there a
24 motion?

25 MS. MOSELEY: So moved.

1 MR. MEADOWS: Second.

2 MR. HOUGHTON: All in favor? Oh, I'm sorry,
3 we'll hold that. I am so sorry. I've overlooked the city
4 manager, Mr. Chandler from Mansfield. Mr. Chandler,
5 pardon me.

6 MR. CHANDLER: That's all right. I liked what
7 you were saying.

8 I'm here to speak on behalf of the project, and
9 as was stated a little bit earlier, the congestion is
10 really great there. I have seen the traffic back up all
11 the way to the Dallas-Fort Worth Airport from Mansfield
12 which is probably 16 to 18 miles away.

13 First of all, I want to thank all of you for
14 what you do, for making good highways in this state, safe
15 highways in this state, and I know it's a challenging job
16 with limited resources.

17 One thing I want to point out is, first of all,
18 I've been coming before the Highway Commission with
19 different legislators and members of the commission for
20 now 28 years on the Highway 360 project. It has been a
21 longstanding project. Mansfield is also one of those high
22 growth areas. In previous legislatures, I can remember
23 there being a list of about eight cities -- I listened to
24 Pearland a little bit earlier -- Mansfield, Pearland and a
25 number of other cities were identified as some of the

1 economic drivers of the state because of the kind of
2 growth. Mansfield grew 101 percent in the last ten years.

3 I was joking with the city manager of Pearland
4 as he was leaving and pointed out, I said, You know, I
5 want to ask you, I thought the mayor did a great job in
6 his presentation, and I said, I want to know did he write
7 that down because I want to take Pearland out of that and
8 put Mansfield in the slots, and then I want to take the
9 highways out and we'll put 287 and the entrance to 30 and
10 20 and the feeder to the Dallas-Fort Worth Airport because
11 it's a similar problem, and I would also point out that
12 it has created tremendous traffic challenges for us.

13 For years, as I stated, I've been doing this
14 about 28 years on the 360 project, and for just about that
15 entire time we have partnered with TxDOT, with the North
16 Central Texas Council of Governments, the cities of
17 Arlington, Grand Prairie, Mansfield. The kind of growth
18 that we're experiencing, those cities are also
19 experiencing in those sections that are close to Mansfield
20 and the Mansfield Independent School District.

21 But I think the real drivers are the traffic
22 that is coming into the North Central Texas region, and
23 particularly that that is facilitating between US 287 and
24 30 the access to the interstates there, the congestion in
25 that area, and the access to the DFW Airport.

1 I appreciate greatly what you do and just
2 wanted to make some comments in support of that.

3 MR. HOUGHTON: Mr. Chandler, what county are in
4 you?

5 MR. CHANDLER: We're in three counties also.

6 MR. HOUGHTON: Really.

7 MR. CHANDLER: We have Tarrant, Ellis and
8 Johnson.

9 MR. HOUGHTON: Your city is in three counties?

10 MR. CHANDLER: It is.

11 MR. HOUGHTON: And you deal with Judge Whitley.
12 Correct?

13 MR. CHANDLER: Yes, we do. And Judge Whitley
14 has been very instrumental in trying to get this project
15 forward also.

16 MR. HOUGHTON: Good. Thank you.

17 Any other questions?

18 MS. MOSELEY: Chairman, I was just going to say
19 thank you to Commissioner Meadows for leading this
20 discussion with our group. I think this corridor is so
21 strategic in that as it grows and develops, in my mind, it
22 becomes a very strategic reliever to both I-35E through
23 Dallas County and I-35W through Tarrant, and in that
24 sense, it really moves greatly towards our vision of
25 prioritizing funds on the congestion points of the state.

1 So thank you, Commissioner Meadows.

2 MR. CHANDLER: Thank you.

3 MR. HOUGHTON: Thank you, Mr. Chandler.

4 We had a motion and we had a second, now we'll
5 take the vote. All in favor?

6 (A chorus of ayes.)

7 MR. HOUGHTON: Thank you very much.

8 MR. WILSON: Item 7f will establish new toll
9 rate tables for portions of the Grand Parkway. This item
10 will be presented by Toll Operations Division Director
11 Doug Woodall. Doug.

12 MR. WOODALL: For the record, Doug Woodall,
13 director of Toll Operations.

14 Item 7f revises the rate tables for Segments D,
15 E, F-1, F-2 and G for Grand Parkway in Harris and
16 Montgomery counties to provide for toll rates at revised
17 tolling points. This minute order also revises toll rates
18 at tolling points on Segment I-2 in Chambers County.

19 For clarification, this item does not change
20 the actual per-mile rate that was previously approved at
21 the December commission meeting. We had some tolling
22 points that were removed recently from the plan,
23 specifically Mason Road, and by removing that tolling
24 point, that shifted the location of other tolling points,
25 resulting in the revision to this toll rate table. With

1 that said, this substantially stays the same with some
2 locations and the individual tolling point rates changing.

3 With that said, staff recommends approval of
4 this minute order.

5 MR. HOUGHTON: Question related to this, Doug.
6 When will we open the first three segments of the Grand
7 Parkway. There are three under construction, correct, or
8 one?

9 MR. WOODALL: That would be the SPD's area.

10 MR. HOUGHTON: SPD, identify SPD.

11 MR. PENSOCK: Strategic Projects Division.

12 MR. HOUGHTON: Oh, thank you.

13 MR. PENSOCK: Ed Pensock with the Strategic
14 Projects Division.

15 Currently TxDOT has Segment E from I-10 about
16 ten miles north up to US 290 under construction.
17 Currently Fort Bend County has, I think, a total of six
18 tolled intersections under construction in Fort Bend
19 County.

20 MR. HOUGHTON: Which is south of 10?

21 MR. PENSOCK: Yes, sir. From Interstate 10
22 going south towards US 59 on the southwest quadrant of the
23 Houston metropolitan area, and we are days away from
24 executing the contract that you awarded last fall for the
25 37 miles of Segments F and G of the Grand Parkway.

1 MR. HOUGHTON: So when will we open the first
2 segments of the Grand Parkway that we are constructing?

3 MR. PENSOCK: Later this year, late 2013,
4 Segment E should be open. Right now people are driving on
5 portions of Segment D from Interstate 10 down south to the
6 Fort Bend County section, but that's a relatively short
7 piece, but the first tolled section will open in late
8 2013.

9 MR. HOUGHTON: And that is ten miles, did you
10 say?

11 MR. PENSOCK: About ten miles, yes, sir.

12 MR. HOUGHTON: And that's under three different
13 contractors?

14 MR. PENSOCK: Yes, sir, three different design-
15 bid-build construction contracts that, again, was a
16 partnership with Harris County Toll Road Authority.

17 MR. HOUGHTON: I've been told that Commissioner
18 Moseley is not willing to accept some just ribbon-cutting,
19 something tantamount to what they did on State Highway
20 130, he'd like to travel faster than 220 miles an hour in
21 that fast car. And that car is from Hennessey which is
22 right off of Interstate Highway 10.

23 MR. PENSOCK: Just west of Houston on
24 Interstate 10. Chairman and Commissioner, we can make
25 that happen.

1 MR. HOUGHTON: I would think some grand opening
2 like that would be appropriate with a camera on his face
3 in the car.

4 (General laughter.)

5 MR. PENSOCK: I believe the builder of that car
6 said that they prefer concrete pavement for testing.

7 MR. HOUGHTON: And that is concrete.

8 MR. PENSOCK: That is concrete pavement, yes,
9 sir.

10 MS. MOSELEY: Thank you, Chairman Houghton.

11 MR. HOUGHTON: Commissioner Moseley, I think we
12 got you a ride.

13 MR. HOUGHTON: Doug, come on.

14 MR. WOODALL: Thank you, Ed.

15 MR. HOUGHTON: Motion?

16 MS. MOSELEY: So moved, Chairman.

17 MR. HOUGHTON: Second?

18 MR. AUSTIN: Second.

19 MR. HOUGHTON: All in favor?

20 (A chorus of ayes.)

21 MR. HOUGHTON: Thank you.

22 MR. WOODALL: Thank you.

23 MR. WILSON: Item 7g, approval of additional
24 programs to be funded with the SH 130 payments. This item
25 will be presented by Director of Planning Marc Williams.

1 Marc.

2 MR. WILLIAMS: Thank you, Phil. For the record
3 again, my name is Marc Williams, director of Planning for
4 TxDOT.

5 Item 7g is a minute order to approve additional
6 programs to be funded with payments received from the
7 State Highway 130 concession for Segments 5 and 6 from US
8 183 in Travis County to Interstate 10 in Guadalupe County.

9 In accordance with Section 228.012 of the Texas
10 Transportation Code, the department has created sub
11 accounts in the State Highway Fund to hold the payments
12 received from the State Highway 130 concession and these
13 payments may be used to fund work programs established for
14 the Austin and San Antonio districts.

15 This minute order authorizes the approval of
16 \$127 million of funds within the State Highway 130
17 concession account for the projects and programs outlined
18 in Exhibit A to this minute order. These programs include
19 projects that will enhance mobility, safety, economic
20 development in the region, along with addressing local
21 transportation priorities. This minute order allows that
22 specific project authorizations under this program will be
23 approved by the commission through future updates to the
24 Unified Transportation Program.

25 I'd be happy to answer any questions that you

1 may have. Staff recommends approval for this minute
2 order.

3 MR. HOUGHTON: No one has any questions on
4 this? Really. Is there a motion?

5 MR. UNDERWOOD: So moved.

6 MR. AUSTIN: Second.

7 MR. HOUGHTON: Hold on. I did it again. I'm
8 going to ask Judge Tom Bown, Caldwell County. You filled
9 out a blue card which means we hold you off till the end,
10 but I think you're on this subject matter, are you not?
11 Come on up, Judge.

12 JUDGE BOWN: First of all, I want to thank you
13 for giving me the opportunity to address the commission.
14 Mr. Chairman, Director Wilson, we've had a meeting, and
15 Commissioner Austin, we had a little animated discussion
16 at the opening of the 130, and there's a couple of things
17 that I would like to address.

18 I put on the card the infamous speed limit of
19 US Highway 183 north of Lockhart. Some people want to
20 refer to it as a frontage road. It is not, it is US
21 Highway 183, and we would like our speed limit back to 65.

22 Hopefully your commission will have on the agenda next
23 month that for consideration. I don't know if the survey
24 has been completed or not, but I know that that has to be
25 done before you can vote.

1 As I explained in a meeting with Director
2 Wilson, we have three resolutions, county and two major
3 cities, and over 700 signatures on a petition to restore
4 that speed limit. I would invite any of the commissioners
5 to come to Lockhart, to eat barbecue and to drive on that
6 road to have that experience and to see what it really is.

7 I want to thank you for the new highway and for
8 cleaning up areas along that road. Now people aren't
9 ashamed to come to Caldwell County to see all the things
10 that have been cleaned up with the right of way.

11 There is one item that I would like to see in
12 writing, and that is over the construction period of this
13 project, and especially Segments 5 and 6, we have
14 transitioned through three district engineers, Mr. Bob
15 Daigh, Mr. Carlos Lopez, and now Greg Malatek, and there's
16 been an elusive amount of dollars that I think this minute
17 order is concerned about that will be dedicated to
18 Caldwell County, and I've heard numbers from \$6 million
19 all the way up to the total \$99 million, which I know is
20 not true. But I would like to see that documented in
21 writing so that elusive number can be dealt with for
22 Caldwell County. We are just about to finish our
23 transportation plan within the next 30 days so we can
24 start implementing some of those projects.

25 And one thing that I didn't sign up to say is

1 probably within the next six months we'll take possession
2 of the 262-acre mitigation site, the wetlands site, so
3 we'll have a management plan for that. So that will also
4 be an area for the citizens of the county for recreation
5 and it will be, essentially, our first county park. And I
6 want to thank you.

7 MR. HOUGHTON: Thank you, Judge.

8 Next is Guadalupe County Judge Larry Jones.

9 JUDGE JONES: Guadalupe County, Larry Jones,
10 the county judge. Mr. Chairman, commissioners, thank you
11 for giving me the opportunity to speak on behalf of this
12 project.

13 As you know, SH 130 has been looked at in
14 Seguin for probably at least 25 years. I was elected in
15 1986 as county treasurer and SH 130 was talked about. The
16 reality is here, and I want to thank you for everything
17 that you have done.

18 But with that being said, we have some real
19 issues with the intersection of I-10 and 46, and a lot of
20 people don't realize FM 78 comes in there and makes it
21 really congested with the Eagle Ford Shale and the trucks
22 that are coming. Which we're for that traffic, we want
23 that development, it's just there some real, we think,
24 safety issues there also.

25 So on behalf of Guadalupe County and my Seguin

1 mayor -- who was trying to get here, I don't know if he
2 made it yet -- we certainly encourage you to vote for this
3 project for us. Thank you very much.

4 MR. HOUGHTON: Thank you, Judge.

5 With that said, is there any other questions,
6 thoughts, motion?

7 MR. UNDERWOOD: So moved.

8 MR. AUSTIN: Second.

9 MR. HOUGHTON: All in favor?

10 (A chorus of ayes.)

11 MR. HOUGHTON: And onward. Who's next?

12 MR. WILSON: Moving on to item 8, a pilot
13 project for the procurement of engineering, architecture
14 or surveying contracts, this item will be presented by
15 Deputy Executive Director John Barton. John.

16 MR. BARTON: Thank you, Phil. Chairman,
17 commissioners.

18 The minute order that is before you at this
19 time would authorize the executive director, or someone
20 that he designates, to conduct a pilot program for the
21 procurement of engineering, architecture and surveying
22 services. The process that the Texas Department of
23 Transportation currently uses is prescribed in Government
24 Code, Chapter 2254, and it's been implemented in Title 43
25 of the Texas Administrative Code, Chapter 9, Subchapter C,

1 as adopted by the commission.

2 I wanted to share briefly with you the reason
3 why we believe, as staff, that it's important to conduct
4 this pilot program and then be happy to answer any
5 questions that you might have as you consider adoption of
6 this minute order. So I have some slides to kind of walk
7 through with you.

8 We understand fully by engaging staff from
9 around the state, interviewing commissioners, talking to
10 the vendors that perform these services for us and the
11 public at large, that we need to take steps to improve the
12 delivery of the procurement of these professional
13 services. They are critical to the execution of our core
14 functions. Much of the work that we do is done through
15 the work of these professional services provided by
16 private vendors, and we recognize that the process for
17 bringing them onboard and then administering the work that
18 they do has a lot of room for improvement, and that's
19 based on the feedback that I just mentioned.

20 So in order to evaluate opportunities to
21 improve this process, we would like to launch a pilot
22 program that would help us target improvements in some of
23 these areas where we can have a process that's easier to
24 use, that is understandable and consistent and is fair to
25 all vendors that would like to participate in this

1 program, and brings about the satisfaction that those that
2 are impacted by this are seeking, while making sure we
3 still continue to have a high quality product for the
4 benefit of the citizens of the Great State of Texas.

5 And in order to do that, we think that it's
6 important to move forward quickly, to look at these
7 processes, and to do so in a pilot procurement process to
8 allow us to evaluate options and to adjust the process as
9 we go through the evaluation of what opportunities might
10 exist.

11 To put into context what we're facing and why
12 this is so critical to the department, this slide
13 represents the number of contracts for these types of
14 professional services we've entered into over the last two
15 fiscal years and what we expect to enter into in fiscal
16 year 2013, and as you can see, the volume of that work has
17 grown tremendously and our need for and dependence upon
18 the professional services of these private vendors is
19 growing. We also project that with the work of this
20 commission, the legislature and the general public at
21 large, we'll continue to have a long-term need for a
22 significant volume of these contracts, and by reforming
23 our process, we should be able to deliver a best-in-class
24 process to allow us to continue to execute on the work
25 that the citizens expect from us.

1 So immediately what we've defined are some
2 opportunities to make some improvements. We call the
3 first tranche of these initiatives our no regrets
4 processes, and that is to change some of the things that
5 we do to be more technologically driven, streamlined and
6 effective. For instance, allowing for electronic
7 signatures and electronic submissions of a lot of these
8 documents. Our current process is all ink signatures, wet
9 signatures, it takes a great deal of time to process that
10 information from office to office and move through the
11 transition of initial execution to final approval. And we
12 believe that by implementing some of these types of
13 things, we'll be able to save significant amounts of time
14 in the processing of these contracts.

15 We also would like to create larger flexibility
16 to deliver work from across the state, and so we have an
17 initiative we'd like to deploy that we've coined ten-by-
18 ten. That's having ten professional services contracts
19 for engineering services and surveying services that
20 basically cover everything from nuts to soup, everything
21 in the kitchen, including the sink, and that those big
22 contracts at \$10 million apiece would be able to be used
23 across the state to perform on initiatives that are
24 important to the administration, to the commission, to
25 communities and free us up from the cumbersome project-by-

1 project procurement process, as a supplement to what we
2 do, not a replacement for it. And we feel like in doing
3 that we'll also be able to gather some real-time
4 information about ways we can improve the procurement
5 process.

6 And then finally, we would like to recreate our
7 professional engineering procurement process in its
8 entirety. That's what we call the PEPS process. That's
9 where this pilot applies. We'd like to have the ability
10 to try a lot of new things, to engage the industry, talk
11 to stakeholders and make adjustments to our process as we
12 go through this pilot program to best define how we can do
13 this work in context with the law and make sure that it's
14 fair, easy to use and results in the outcomes that we'd
15 all like to see.

16 I wanted to just make sure you understand that
17 we, as staff, know that this is a government-driven
18 process, laws exist to ensure that there's fairness,
19 competition, and that there's a high degree of scrutiny
20 placed on these services. The proposed minute order would
21 allow us, under Chapter 9.4, to do the things that are
22 shown on this screen.

23 Either our executive director, or someone that
24 he designates, would be able to move through a process for
25 bringing on these professional services that do not comply

1 with our current subchapter if we authorize in writing
2 that we understand that the process will result in a
3 contract that is valid according to the laws of the land
4 in the State of Texas, that it results in a fair
5 opportunity for all that want to be involved in a
6 competitive process where we make a decision based on
7 qualifications, that the contract itself is carried out as
8 part of a pilot program that the commission has endorsed
9 and allows us to continue to evaluate how we can improve
10 this process, that it does not expend federal funds
11 because this needs to be a state-driven process to allow
12 us to control the outcomes, and that we execute this
13 contract with the public's best interests in mind.

14 And that written confirmation would be done on
15 anything that we choose to do in this pilot program to
16 ensure the integrity of what we do and compliance with the
17 law.

18 We believe that by implementing this pilot
19 program we will be able to create a faster, more
20 efficient, easier to use and effective consultant
21 selection or professional engineer, architecture and
22 surveying selection process, and that we'll be able to
23 learn, as we go through this process, how to do it best to
24 be this best in class organization.

25 Some of the examples of what we might try in

1 this process or in this pilot program is removing the
2 requirement that the commission approve any contract
3 that's more than two years in length on these indefinite
4 deliverable type of contracts, that maybe for these ten-
5 by-ten that procurement needs to allow for a five-year
6 contract to consume that \$10 million instead of having to
7 come to you to ask your permission to change that.

8 We also think that it would allow us to look at
9 some small contract that would allow us to maybe put to
10 rest some of the discussions we've had around overhead
11 rates and use a more standard overhead rate and direct
12 labor rates instead of this negotiated process we
13 currently use. And then that we'll be able to base our
14 consultant selection on some of these on a more
15 deliberative scoring rather than this letter of interest
16 and interview process that we currently use that takes so
17 much time.

18 So as we move forward, should you approve this
19 minute order today, what we would do is post this
20 information out, take public comments on it until May of
21 2013. During that same time period we'd be developing
22 what we think the program elements might be that we would
23 deploy first. Early in the Summer, soon after the May
24 date, we would start piloting the program, evaluating how
25 effective it is, gathering information on it, engaging the

1 public and the vendors in that process, measure those
2 outcomes and adjust accordingly so that by the Fall of
3 2013 we'll have a better definition of what we think a new
4 and improved PEPS process would be, being transparent and
5 open throughout the process to make sure everyone
6 understands what is going on and is involved, and then
7 finalize that before the end of this calendar year so that
8 we would have a new professional procurement process in
9 place for those professional services.

10 So with that, I'd be happy to answer any
11 questions that you may have, and would share with you that
12 staff does recommend your approval of this minute order.

13 MS. MOSELEY: Chairman, I wanted to say thanks
14 to Phil Wilson and his team for bringing this pilot to us
15 for consideration. I think it's wonderful that we're
16 going to look at some new best practices on opening the
17 door to small businesses, historically underutilized
18 businesses, minority vendors, and I just think it's a
19 wonderful program and initiative.

20 MR. HOUGHTON: Any other? We have a speaker,
21 Steve Stagner.

22 MR. STAGNER: Thank you, Mr. Chairman,
23 commission members. My name is Steve Stagner. I
24 represent ACEC, the engineering firms' trade association.

25 And I just want to let you know that we are in

1 favor of this, appreciate the spirit of experimentation
2 that brings it forward. There's no question that some
3 improvements can be made and there's probably some
4 frustrations on both side about the cumbersomeness, and as
5 the presentation said, the compliance heaviness of it.
6 And we haven't had a lot of conversations about the
7 specifics, but I think it's a very good initiative, and I
8 commend your staff for being willing to kind of break the
9 mold and try some new things.

10 MR. HOUGHTON: Thanks, Steve.

11 Any other questions? Motion?

12 MS. MOSELEY: So moved, Chairman.

13 MR. AUSTIN: Second.

14 MR. HOUGHTON: All in favor?

15 (A chorus of ayes.)

16 MR. HOUGHTON: Thank you, John.

17 MR. BARTON: Thank you.

18 MR. WILSON: Next up is item 9, the
19 promulgation of administrative rules. 9a(1) is the final
20 adoption of amendments to Chapter 3, Public Information.
21 This item will be presented by General Counsel Jeff
22 Graham. Jeff.

23 MR. GRAHAM: Good morning, Chairman,
24 commissioners, Phil.

25 This item is for the final adoption of a rule

1 under Title 43 of the Texas Administrative Code,
2 specifically these amendments are necessary to update the
3 title of those individuals who may certify a commission
4 minute order so that it conforms to the organizational
5 structure that we currently have.

6 Staff recommends the adoption of this final
7 rule.

8 MR. HOUGHTON: Questions? Motion?

9 MR. UNDERWOOD: So moved.

10 MR. MOSELEY: I'll second.

11 MR. HOUGHTON: All in favor?

12 (A chorus of ayes.)

13 MR. HOUGHTON: That's it for you, Jeff?

14 MR. GRAHAM: That's it for me today.

15 MR. HOUGHTON: You've been awful quiet today.
16 But you've been on the front row, so we know you're there.

17 MR. WILSON: Item 9a(2) is the final adoption
18 of amendments to Chapter 5, Finance, and Chapter 23,
19 Travel Information. This item will be presented by Travel
20 Information Division Director Margo Richards. Margo.

21 MS. RICHARDS: Good morning. For the record,
22 I'm Margo Richards, director of the Travel Information
23 Division.

24 We are proposing final adoption of the new
25 Subchapters D and E to Chapter 23. These new rules allow

1 for the sale of goods at department buildings, including
2 rest areas and travel information centers, in addition to
3 sales through Texas Highways Magazine. The proposed new
4 rules would also allow the department to establish a
5 merchandising program under which the department may
6 solicit proposals from one or more vendors to administer
7 the program and secure retailers to sell products bearing
8 department marks at no cost to the department. The Travel
9 Information Division would manage this program.

10 This was adopted by the commission in December
11 and published for comment. No comments were received.
12 Staff recommends approval of this minute order.

13 MR. HOUGHTON: Any questions of Margo?

14 (No response.)

15 MR. HOUGHTON: None. Motion?

16 MR. UNDERWOOD: So moved.

17 MR. HOUGHTON: Second?

18 MR. AUSTIN: Second.

19 MR. HOUGHTON: All in favor?

20 (A chorus of ayes.)

21 MR. HOUGHTON: Thank you.

22 MR. WILSON: Next is item 9b(1), proposed
23 adoption of amendments to Chapter 5, Finance. This item
24 will be presented by Finance Division Director Brian
25 Ragland. Brian.

1 MR. RAGLAND: Thank you. Good morning. For
2 the record, I'm Brian Ragland, director of the Finance
3 Division.

4 This minute order proposes amendments to the
5 section of the rules dealing with transportation
6 development credits, or TDCs, as they are known. Two
7 amendments are proposed. First, the amount of TDCs
8 available for public transportation awards is clarified to
9 be a total of 15 million per year and not necessarily an
10 additional 15 million per year, as could be interpreted
11 with the current language in the rules. And then second,
12 the proposed amendments allow for the commission to award
13 a lump sum of TDCs for a department program or category of
14 projects. Currently, the commission must award TDCs on a
15 project-specific basis.

16 And I'm happy to answer any questions. Staff
17 recommends your approval.

18 MR. HOUGHTON: Questions of Brian? Motion?

19 MR. AUSTIN: So moved.

20 MR. HOUGHTON: Second?

21 MR. UNDERWOOD: Second.

22 MR. HOUGHTON: All in favor?

23 (A chorus of ayes.)

24 MR. HOUGHTON: Thank you, Brian.

25 MR. WILSON: Next up is item 9b(2). It's

1 proposed adoption of amendments to Chapter 9, Contract and
2 Grant Management. This minute order will be presented by
3 Deputy Director John Barton.

4 MR. HOUGHTON: John left the room. I think
5 he's right outside the door. I like your grand entrance,
6 John.

7 MR. BARTON: As I told Chairman Pickett earlier
8 this morning, I always try to make an entrance.

9 MR. WILSON: 9b(2), Contract and Grant
10 Management.

11 MR. BARTON: I'm sorry. This is the minute
12 order that would enable the pilot program that we just
13 mentioned, and staff would move your adoption.

14 MR. HOUGHTON: I thought we did that earlier.
15 What is Chapter 9?

16 MR. BARTON: These are the proposed rules that
17 we will be taking comments on until May, so the first
18 minute order authorized us to move forward with the pilot
19 program, Chapter 9, these are the rules revisions that I
20 mentioned we will be taking comments on until May.

21 MR. HOUGHTON: And you need a motion on this
22 one?

23 MR. BARTON: Yes.

24 MR. AUSTIN: So moved.

25 MR. HOUGHTON: Second?

1 MR. UNDERWOOD: Second.

2 MR. HOUGHTON: All in favor?

3 (A chorus of ayes.)

4 MR. HOUGHTON: Thanks, John. Don't go too far,
5 John, you never know.

6 MR. WILSON: Item 10 will be presented by
7 Suzanne Latimer, director of the Office of Compliance and
8 Ethics. She will make her monthly report on the
9 department's Compliance and Ethics Report.

10 MS. LATIMER: Good morning. My name, for the
11 record, is Suzanne Latimer. I'm the director of the
12 Office of Compliance and Ethics for TxDOT.

13 The purpose of this report is to provide a
14 summary of information related to complaints and
15 investigations for the month of January 2013, in
16 accordance with Transportation Code 201.452 and 201.454.

17 The Human Resources Division Office of Civil
18 Rights and Audit Office notify the Office of Compliance
19 and Ethics when investigations are initiated and
20 completed, and the Office of Compliance and Ethics
21 monitors those investigations. All data is compiled by
22 the Office of Compliance and Ethics for reporting
23 purposes.

24 There were 38 complaints received during the
25 month of January, 41 complaints were closed during

1 January, and allegations were substantiated in eight of
2 the investigations. No further action is required.

3 MR. HOUGHTON: This is a report. You need a
4 motion on this?

5 MS. LATIMER: No. Thank you.

6 MR. WILSON: Item 12, Private Activity Bonds --

7 MR. HOUGHTON: Missed one. Are you going to
8 forget the RMAs?

9 MR. WILSON: No, sir, never forget the RMAs
10 Item 11a, extending the deadline for beginning
11 construction of the East Loop Project in Cameron County.
12 This item will be presented by Director of Planning Marc
13 Williams. Marc.

14 MR. WILLIAMS: Thank you, Phil. Again for the
15 record, Marc Williams, director of Planning with TxDOT.

16 Item 11a is an minute order to extend the
17 deadline for beginning construction for the State Highway
18 31 East Loop Project in Cameron County. This project is
19 along mostly new location from US 77/83, north of the
20 Veterans International Bridge at Los Tomates, to State
21 Highway 4, just south of the Port of Brownsville,
22 approximately 11.6 miles.

23 An agreement with Cameron County for the
24 development of the project was previously approved by the
25 commission on April 29 of 2010. The original minute order

1 specified a 36-month duration to begin construction on
2 this East Loop Project. Since 2010, the Cameron County
3 Regional Authority and our Pharr District have been
4 working cooperatively to advance this project. It has
5 involved an environmental assessment approval process that
6 has been particularly challenging with some issues on the
7 project involving a levee relocation, U.S. Fish and
8 Wildlife biological assessments, an opinion, including
9 property exchange and potential 4(f) historical property
10 issues.

11 A lot of progress has been made to date on this
12 project and we are having weekly conference calls through
13 the Pharr District with the regional mobility authority
14 and their general engineering consultant to maintain
15 updates on project status and to advance this project. We
16 expect environmental approval by the end of this year,
17 followed by immediate final design and right of way
18 acquisition, and construction is expected to begin by late
19 2014 or early 2015.

20 This minute order allows for an extension of
21 the deadline originally established in the Minute Order
22 112249 and extending that deadline to August 31 of 2015 to
23 allow for completion of the project activities that I
24 described previously.

25 I'd be happy to answer any questions. Staff

1 recommends approval for this minute order.

2 MR. HOUGHTON: Is there questions?

3 (No response.)

4 MR. HOUGHTON: Motion?

5 MR. UNDERWOOD: So moved.

6 MR. AUSTIN: Second.

7 MR. HOUGHTON: All in favor?

8 (A chorus of ayes.)

9 MR. WILSON: Item 11b related to the Central
10 Texas Regional Mobility Authority and the State Highway 71
11 Project. This item will be presented by Strategic
12 Projects Division Director Ed Pensock. Ed.

13 MR. PENSOCK: Ed Pensock, Strategic Projects.

14 Item 11b approves the department's
15 determination to exercise its option to develop, construct
16 and finance the portion of State Highway 71 in Travis
17 County toll project from east of US 183 to just east of
18 State Highway 130. The minute order also authorizes the
19 State Highway 71 project with CONSTRUCT authority. And
20 finally, it also authorizes the executive director to
21 negotiate an agreement which would be subject to final
22 commission approval with the Central Texas Regional
23 Mobility Authority for the development and financing of
24 the SH 71 project.

25 On February 27, 2013, the CTRMA Board of

1 Directors elected to waive and decline to exercise their
2 option to develop, finance and construct the 71 project.
3 The board of directors further resolved to retain and not
4 waive the CTRMA's option under Chapter 373 to operate any
5 potential toll lanes on the project.

6 Proposed upgrades to State Highway 71 include
7 the incorporation of potential toll lanes which will
8 improve mobility in the areas for commuters traveling from
9 downtown Austin to Austin Bergstrom International Airport,
10 and for Central Texas motorists traveling to Houston.
11 Improvements in this corridor are critical to the region's
12 continued mobility and economic vitality.

13 Staff is here to answer any questions and
14 recommends your acceptance of this minute order.

15 MR. HOUGHTON: Are there any questions of Ed on
16 this project?

17 (No response.)

18 MR. HOUGHTON: None. Is there a motion?

19 MR. AUSTIN: So moved.

20 MR. UNDERWOOD: Second,

21 MR. HOUGHTON: All in favor?

22 (A chorus of ayes.)

23 MR. HOUGHTON: Thanks, Ed.

24 MR. WILSON: Item 12, Private Activity Bonds,
25 will be presented by Innovative Financing and Debt

1 Management Office Director Benjamin Asher. Benjamin.

2 MR. ASHER: Good morning. For the record, I'm
3 Benjamin Asher, director of the Innovative Financing and
4 Debt Management officer for TxDOT.

5 Item 12 would authorize the Private Activity
6 Bond Surface Transportation Corporation to issue private
7 activity bonds as part of the overall plan of finance for
8 Segment 3A of the NTE Segments 3A and 3B Managed Lanes
9 Project.

10 Staff recommends approval and I'd be happy to
11 answer any questions you may have.

12 MR. HOUGHTON: Questions of Ben?

13 (No response.)

14 MR. HOUGHTON: Can I have a motion then?

15 MR. UNDERWOOD: So moved.

16 MR. HOUGHTON: Second?

17 MR. AUSTIN: Second.

18 MR. HOUGHTON: All in favor?

19 (A chorus of ayes.)

20 MR. HOUGHTON: Thanks, Ben.

21 MR. WILSON: The next items are the award of
22 contracts for maintenance and department building
23 construction and highway construction. Darren Hazlett,
24 Construction Division deputy director, to present.
25 Darren.

1 MR. HAZLETT: Good morning. For the record --

2 MR. HOUGHTON: Is this your first time, Darren?

3 MR. HAZLETT: Second time.

4 MR. HOUGHTON: Second. Oh, darn.

5 MR. HAZLETT: One year ago.

6 MR. HOUGHTON: One year ago. My memory is

7 short. Thanks.

8 MR. HAZLETT: For the record, I'm Darren

9 Hazlett, deputy director of the Construction Division.

10 Item 13a is for the consideration of the award

11 or rejection of Highway Maintenance and Department

12 Building Construction contracts let on February 5 and 6,

13 2013. We present 31 contracts today. The average number

14 of bids per contract was 4.48; the low bid value was

15 \$22,569,704.31; and we had an overall underrun of 11.16

16 percent.

17 Staff recommends award of all maintenance

18 projects.

19 MR. HOUGHTON: Is there any questions of Ben?

20 (No response.)

21 MR. HOUGHTON: Motion then?

22 MR. AUSTIN: So moved.

23 MR. UNDERWOOD: Second.

24 MR. HOUGHTON: All in favor?

25 (A chorus of ayes.)

1 MR. WILSON: Darren, please proceed with item
2 13b, construction contracts.

3 MR. HAZLETT: Item 13b is the consideration of
4 the award or rejection of Highway and Transportation
5 Enhancement Building Construction contracts let on
6 February 5 and 6 of 2013. We present 59 projects today.
7 The average number of bids per project was 4.46; the low
8 bid value was \$241,163,061.91; the awards are split as six
9 projects in Mobility totaling \$87,849,803.05, and 53
10 projects in Preservation totaling \$153,313,258.86; we had
11 an overall underrun of 2.75 percent.

12 Staff recommends award of all construction
13 projects.

14 MR. HOUGHTON: Questions? Motion?

15 MR. UNDERWOOD: So moved.

16 MR. HOUGHTON: Second?

17 MR. AUSTIN: Second.

18 MR. HOUGHTON: All in favor?

19 (A chorus of ayes.)

20 MR. HAZLETT: Thank you.

21 MR. HOUGHTON: Thanks, Darren.

22 MR. WILSON: That brings us to item 14, Eminent
23 Domain Proceedings. Right of Way Division Director John
24 Campbell will present this minute order.

25 MR. CANNON: For the record, Gus Cannon,

1 director of resource management for the Right of Way
2 Division, replacing John Campbell today. John Campbell is
3 out in consultation and training with two of our eminent
4 domain attorneys we've hired in the East Region, and we're
5 excited about that.

6 Item 14, Eminent Domain Proceedings, we have 23
7 non-controlled, 15 controlled, nothing out of the
8 ordinary. The eminent domain rate is still at the 20
9 percent level due to the high profile projects, but fits
10 along the trends we've had for the last four or five
11 years.

12 Staff recommends the approval of the minute
13 order.

14 MS. MOSELEY: Chairman, if it pleases the
15 commission, I have a motion. I move that the Texas
16 Transportation Commission authorize the Texas Department
17 of Transportation to use the power of eminent domain to
18 acquire the properties described in the minute order set
19 forth in the agenda for the current month for
20 construction, reconstruction, maintenance, widening,
21 straightening or extending the highway facilities listed
22 in the minute order as a part of the state highway system,
23 and that the first record vote applies to all units of
24 property to be condemned.

25 MR. AUSTIN: I will second his motion.

1 MR. HOUGHTON: Okay. All in favor?

2 (A chorus of ayes.)

3 MR. WILSON: Item 15 contains the routine
4 minute orders, including donations to the department,
5 right of way dispositions and donations, finance, highway
6 designations, release of access rights, transportation
7 planning and speed zones.

8 MR. HOUGHTON: Motion on the routine?

9 MR. UNDERWOOD: Motion.

10 MR. AUSTIN: Second.

11 MR. HOUGHTON: All in favor?

12 (A chorus of ayes.)

13 MR. WILSON: This concludes the action items on
14 today's agenda, so, Mr. Chairman, I will hand the meeting
15 back to you.

16 MR. HOUGHTON: All right. Is there any other
17 business, anybody signed up to speak? None.

18 If there is no other business before the
19 commission, I'll entertain the most privileged motion, to
20 adjourn.

21 MR. AUSTIN: So moved.

22 MR. HOUGHTON: Is there a second?

23 MR. UNDERWOOD: Second.

24 MR. HOUGHTON: All in favor?

25 (A chorus of ayes.)

1 MR. HOUGHTON: I have 11:08 a.m. Central
2 Standard Time.

3 (Whereupon, at 11:08 a.m., the meeting was
4 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: February 28, 2013

6 I do hereby certify that the foregoing pages,
7 numbers 1 through 109, inclusive, are the true, accurate,
8 and complete transcript prepared from the verbal recording
9 made by electronic recording by Nancy H. King before the
10 Texas Department of Transportation.
11
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15

16
17 03/06/2013
(Transcriber) (Date)

18
19 On the Record Reporting
20 3636 Executive Ctr Dr., G-22
21 Austin, Texas 78731
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