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TEXAS DEPARTMENT OF TRANSPORTATION  
COMMISSION MEETING

Rick Williamson Hearing Room  
DeWitt Greer Building  
125 East 11th Street  
Austin, Texas

Thursday  
March 27, 2014

COMMISSIONER MEMBERS:

- Ted Houghton, Jr., Chairman
- Victor Vandergriff
- Jeff Moseley
- Jeff Austin, III
- Fred Underwood

STAFF:

- James Bass, Interim Executive Director
- John Barton, Deputy Executive Director

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1 P R O C E E D I N G S

2 MR. HOUGHTON: Good morning. It is 9:00 a.m. and  
3 I call to order the regular March 27th, 2014 meeting of the  
4 Texas Transportation Commission. Note for the record that  
5 public notice of this meeting containing all items on the  
6 agenda was filed with the Secretary of State at 4:36 p.m. on  
7 March 19th, 2014.

8 And as usual and customary, please turn your cell  
9 and communication devices in the off or silent mode. And if  
10 you wish to address the Commission today, you need to have a  
11 speaker's card except for the Chase family. They can speak  
12 all morning long if they would like. So welcome. One is a  
13 yellow card for an agenda and a blue and open session. And  
14 if not on the agenda, it is a blue card like I just said.  
15 Regardless of the color of the card, please limit your  
16 remarks to three minutes.

17 And we will turn it over to James Bass for safety.  
18 All right.

19 MR. BASS: Thank you, Chairman. At this point I'd  
20 like to ask Deputy Executive Director John Barton to come  
21 forward and provide us with a quick safety briefing. Mr.  
22 Barton?

23 MR. BARTON: Good morning, Director Bass, Mr.  
24 Chairman, Commission members. I appreciate your leadership  
25 and always starting our meetings and focusing on safety, the

1 efforts that you put forward and elevating the importance of  
2 safety at the department and across the state are paying  
3 tremendous dividends.

4           This morning, I would like to like to take care of  
5 a few housekeeping items first and then talk a bit about  
6 some very important initiatives that are under way. First  
7 of all, if anyone here visiting the Commission this morning  
8 needs first aid attention, if you can find your way to the  
9 guard station found at the front of our building as you  
10 entered this morning. They have first aid available for you  
11 there. And if you need the assistance of medical  
12 professionals, they can certainly contact 911 on your  
13 behalf.

14           We do have a little bit of clouds outside today.  
15 We don't expect any inclement weather, but if we are asked  
16 to shelter in place, I would ask everyone to leave this  
17 room, find your way out into the foyer and then take the  
18 stairwells down into the basement or to remain in the  
19 stairways until the threat passes.

20           And then lastly, if we are asked to evacuate the  
21 building for any reason, either you will hear the alarm  
22 sound or someone will come to this podium and share that we  
23 need to evacuate. There are exits at the -- both ends of  
24 this room. Again, I would ask you to find your way out to  
25 the guard station, exit the building, safely cross the road

1 in front of the department here across 11th Street and then  
2 gather at the south side of the capitol so that those  
3 responding to the event can take care of the issues here in  
4 the facility.

5           This past week the state of Texas was impacted by  
6 a vessel crash in the Houston Ship Channel. And I know that  
7 others will talk about that likely later on this morning.  
8 But I just wanted to share with the Commission how proud I  
9 am of the response of your Texas Department of  
10 Transportation professionals at the Galveston Bolivar Ferry  
11 operations and the Houston district as they were impacted by  
12 this issue. They thought through the challenges very  
13 thoroughly. They addressed all safety concerns in a very  
14 professional way. I won't go into the details today, but  
15 you would be amazed at the level of focus and attention they  
16 paid on to safety and making sure that not only our  
17 employees but the people using those ferry systems were  
18 protected and -- and kept safe . And I'm very, very proud  
19 of that work.

20           Also, I have the unenviable responsibility of  
21 sharing with you that over the past weeks we've had two  
22 contractor partners lose employees here in the state of  
23 Texas. Mr. Dehoyas was a 22-year-old young man working for  
24 us in the metropolitan area of the Dallas-Fort Worth  
25 Metroplex and was fatally wounded while working on a re-

1 removal operation a few weeks ago.

2           And then last week Mr. Martinez-Garcia, a 60-year-  
3 old gentleman working on a rehabilitation project in the  
4 coastal bend region of our state was struck by a motorist  
5 and killed. Our sympathies and concerns certainly are with  
6 not only their families, their coworkers but all of us in  
7 the transportation industry.

8           I would like to bring your attention to the fact  
9 that as you wear these orange lapel pins to remind us that  
10 work zone safety is important each and every day. Excuse  
11 me. National Work Zone Safety Awareness Week will be  
12 observed this next month, April the 7th through the 11th.  
13 And there will be a lot of messaging around National Work  
14 Zone Safety Awareness that we will bring to the attention of  
15 the public and to our employees. In 2013, there were 115  
16 fatalities in Texas work zones. And it's certainly  
17 something that we all need to be aware of and focused on.

18           I would like to close this brief this morning, and  
19 I know it's been a little longer than normal, with an  
20 amazing story. We have embarked on a statewide campaign to  
21 share with the public and our employees the dangers of  
22 distracted driving. Many of us wear these wristbands, I  
23 placed three on the podium, to remind us today that when we  
24 talk or text on a cell phone or allow ourselves to be  
25 distracted, often the consequences are fatal.

1           The two pictures on the slide that are showing  
2 today are a crash where a TxDOT employee was hit by a  
3 distracted driver on US 259 in our Tyler district in east  
4 Texas. Mr. William Lee was operating this vehicle while  
5 following a slow moving piece of equipment that was being  
6 moved from one location to another. He had all the  
7 appropriate warnings, flashing lights on and was performing  
8 his duties as we've asked him to do.

9           A truck driver that had lost his way was trying to  
10 find a reroute to his destination and while traveling at 60  
11 miles per hour approximately according to law enforce  
12 reports he was trying to reprogram his GPS unit. And of  
13 course, this diverted his attention from his task of driving  
14 a vehicle. And the consequences of his inaction to drive  
15 safely are shown on the screen.

16           Most of the time when I share these types of  
17 stories with you and others, it's a sad day with unfortunate  
18 consequences and outcomes. But today it's a -- it's a story  
19 of a miracle. Mr. William Lee is with us today and I would  
20 ask him to come join me at the podium if you mind.

21           We have his maintenance employee for us. He's  
22 been with the agency about a few brief months, only eight  
23 months. And because he followed the safety program that you  
24 put in place, the leadership at this Commission, his  
25 district engineer Randy Hawkman and our safety professionals

1 and men and women across this agency have developed and  
2 inspired. He was wearing a seat belt. He was paying  
3 attention to the work ahead of him. The equipment he was  
4 operating had a headache rack and all the manufacturer  
5 safety devices in place.

6           And much like that advertisement that's making its  
7 way around the nation today, he lived. I can't explain it.  
8 The Jaws of Life had to pry him from the debris that was  
9 left of his vehicle. But William Lee lived. And the driver  
10 of that 18-wheeler will not have to spend the rest of his  
11 life mourning the fact that he had killed someone. In this  
12 case, William was able to walk away with very few injuries.

13           April is National Distracted Driving Month. And  
14 we'll be talking a lot about that as well, but I just wanted  
15 to share with you as a Commission how proud I am of the  
16 safety program you put in place. Because of that, William  
17 is alive today. But we have a responsibility to make sure  
18 everybody understands the consequences of distracted driving  
19 are real and horrific.

20           So I appreciate this opportunity to share this  
21 safety brief with you. And I don't know if you have any  
22 questions for me, but it's amazing that this young man is  
23 able to be with us today. Thank you.

24           MR. UNDERWOOD: All right. And I appreciate it,  
25 John. Thank you, John. William, I'll bet you're going to

1 ask for a different vehicle.

2 (Laughter.)

3 MR. LEE: Yes, sir.

4 MR. UNDERWOOD: If I were you, I would ask for a  
5 six yard or a maintainer. I meant to say -- I'm not trying  
6 to be clever about something that was very serious, but  
7 we're excited that you're with us. I want to thank you for  
8 following our safety rules because you're with us today and  
9 -- and we do not have some of our men and women with us  
10 today that didn't. So thank you, sir.

11 MR. LEE: Yes, sir.

12 MR. UNDERWOOD: Appreciate it.

13 MR. HOUGHTON: Did that have an attenuator on the  
14 back of it?

15 MR. LEE: Yes.

16 MR. HOUGHTON: And one -- one, that it's supposed  
17 to take the shock?

18 MR. BARTON: No, sir. In this particular  
19 situation, we were moving a piece of equipment from one  
20 location to another. Kind of a slow moving operation, but  
21 moving at a -- a fairly significant rate of speed. And it  
22 did not have a -- a truck mounted attenuator behind it  
23 because of the nature of what we were doing.

24 It does remind us that we need to make sure we're  
25 mindful of how we're operating and that we continue to

1 educate the public on this new law about moving over and  
2 slowing down when you're passing a -- a stationary or slow  
3 moving operations.

4 MR. HOUGHTON: How fast was the other vehicle  
5 going when --

6 MR. BARTON: 60 miles an hour is what the --

7 MR. HOUGHTON: Oh.

8 MR. BARTON: -- the --

9 MR. HOUGHTON: Is that right?

10 MR. BARTON: -- law enforcement reports say. And  
11 the driver never touched his brakes.

12 MR. HOUGHTON: Never hit --

13 MR. UNDERWOOD: But William had -- but William had  
14 his rack and his lights displayed and everything.

15 MR. BARTON: Yeah.

16 MR. UNDERWOOD: And he had his headache --

17 MR. BARTON: Yeah, William can answer those  
18 questions, but he was operating with his headache rack on,  
19 flashers and everything.

20 MR. UNDERWOOD: And it wasn't like he was just  
21 driving along behind there with -- he literally had all his  
22 lights go --

23 MR. BARTON: That's correct.

24 MR. UNDERWOOD: -- over the head.

25 MR. BARTON: That's -- glad to have you with us.

1 MR. LEE: Thank you.

2 MR. AUSTIN: Amen.

3 MR. BARTON: Glad to have you with us.

4 MR. BASS: Thank you, John. With the safety  
5 briefing completed, Mr. Chairman, I'll turn the gavel back  
6 to you.

7 MR. HOUGHTON: And we will open it up with  
8 comments from our commissioners. Mr. Vandergriff, kick it  
9 off.

10 MR. VANDERGRIFF: Hi, I'm glad to be here and  
11 representing the interest in the state of Texas. With that,  
12 I'll pass.

13 MR. MOSELEY: Chairman, as John stated in his  
14 opening remarks, we did really dodge a bullet with the  
15 collision of the barge and the Houston Ship Channel. It  
16 could have been significantly more detrimental to the Texas  
17 economy. This is a -- a ship channel that provides by  
18 estimates of a 2012 study 1,000,000 jobs throughout the  
19 state of Texas and has a \$179,000,000,000 statewide economic  
20 impact and just locally generates four and a half billion in  
21 -- in taxes to the regional economy.

22 And there are a lot of concerns that if the  
23 environmental clearances weren't in place and the ship  
24 channel were to have remain closed that it would have  
25 impacted the refining complex and -- and that would have

1 really hurt not only our safety economy but the national  
2 economy.

3 I thank the Chairman. We have much for which to  
4 give thanks. We appreciate deeply our TxDOT team and -- and  
5 the ability that they had to step in and make contributions  
6 to this -- this effort.

7 It does a question of chairman and I wonder if --  
8 if maybe it would be -- it would be proper to -- to seek  
9 perhaps during an interim one of the -- either the house or  
10 the senate to take a look at -- at what the state's role  
11 could be in helping control and manage the traffic along the  
12 Houston Ship Channel. And right now the state has no voice  
13 in that. It's left to the federal authorities.

14 But apparently, there's more congestion, more  
15 tonnage. We know with the opening of the Panama shipping  
16 line there will be even more traffic moving in and out of  
17 the refining complex. And so I -- it just raises a question  
18 what role perhaps could the state play in helping control  
19 and manage the Houston Ship Channel traffic.

20 Chairman, look forward also to also thanking  
21 publically Coby Chase and -- and glad that -- that Julie and  
22 his family are here today. I know that's reserved a little  
23 bit later on, but reserve the rest of my remarks for that  
24 time.

25 MR. AUSTIN: Thank you. Good morning, everyone.

1 I'm happy to be back in Austin. We had a great meeting last  
2 month down in Laredo. I think we learned quite a bit and  
3 that's one of the advantages of being able to travel this  
4 great state to see the -- the things of how mobility is  
5 moving. And there's a lot of good things that are  
6 happening. And Coby, we're glad to see you and your family  
7 here today. I know we have some comments coming up. But I  
8 did just get back from D.C. and I'll save some of my  
9 comments what I heard about you up there, Coby, but they  
10 were all good. I know your wife and your daughter is here.

11 But it was very interesting as we've come up there  
12 and looking and we're facing reauthorization. We have a lot  
13 of challenges before us. And while so much attention is  
14 directed across the street over to our capital here and our  
15 legislative process here. We need to pay attention and ask  
16 each of you all to pay attention of really what's going on  
17 federally as we come up on final passage of the WRDA bill  
18 and as we look at the reauthorization, because we do have a  
19 crisis coming up and it will have an impact on what happens  
20 with the state and what our role is.

21 I echo Commissioner Mosley's comments about the  
22 Port of Houston and looking at the ferry system. And our  
23 team, there's so many things that happened beyond -- I know  
24 we were receiving updates from John Barton regularly on what  
25 was going on with our ferry system.

1           We have a lot of employers, hospitals that rely on  
2 using our system for people to get to work and come home.  
3 And when you shut down that and the intercoastal of -- of  
4 being able to -- that impacts mobility, we have a lot of  
5 people that depend on us. But also during inclement weather  
6 whether it's in the panhandle, snow and ice, floods,  
7 bridges, our team, I'm really proud of them across the state  
8 in being able to -- to respond.

9           And so thank you all for what you do and I look  
10 forward to -- and one other person I see a face back there,  
11 Bill Meadows, welcome back. Good to see you. I know we'll  
12 see you in a little while. I know you're sliding down in  
13 your chair, but welcome back. You didn't --

14           (Laughter.)

15           MR. UNDERWOOD: Associate myself and my  
16 colleague's remarks, the accident, was that at a narrow part  
17 of the channel? It was, wasn't it?

18           MR. MOSELEY: That's why. Yes, sir.

19           MR. UNDERWOOD: Isn't that right? And I'm just --  
20 we -- as we look into this, whether or not that's another  
21 reason why we -- a part of our -- we were what, 423 miles of  
22 calls way being able to keep those open whether this needs  
23 to be wide and we need -- that's another reason we need more  
24 funding.

25           MR. MOSELEY: Yes, sir.

1           MR. UNDERWOOD: Okay. I'm going to go back in the  
2 -- thrust will be on safety today. You know, I wear this, I  
3 had this. We really -- we really at TxDOT want to protect  
4 and remind the citizens of Texas to be safe when you drive.  
5 I know William I bet you were the first one at church on  
6 Sunday morning you were waiting for the doors to open. But  
7 also remind you about seat belts, how important they are.

8           And I can speak from personal experience. I have  
9 a business partner. His son was wearing his seat belt.  
10 He's with us today. They hit a tree. He spent six months  
11 with his wire jaw. His -- his pelvis and things were  
12 crushed. Two years later he's playing football his team,  
13 his zone district. Had to wear a special helmet, but he  
14 still got a chance to enjoy life and be a young person.

15           Also on a more personal note, I have a daughter  
16 that we stress in our family to the point with my children,  
17 if I pull out of the drive and didn't have my seat belt,  
18 they get 25 cents. So they would jump in but they had to  
19 have their seat belts on.

20           But my daughter in this one instance because she  
21 just had lunch and it was uncomfortable to her waist didn't  
22 have her seat belt on. She has a titanium plate in her face  
23 because of the accident. The -- the vehicle rolled a  
24 hundred and 35 yards. Her hips were crushed. She has no  
25 feeling on this side of her body, on the left side of her

1 body because of the nerve damage. The young man sitting  
2 next to her had a sore shoulder. He had a seat belt on.  
3 The person on the seat belt didn't have a seat belt on and  
4 they look like somebody taken a razor blade and just cut  
5 their face up. They were fortunate enough to get down low  
6 enough to stay in the vehicle as it rolled. And in her  
7 case, she wasn't able to.

8           Just wear our seat belts is my belt. You know, I  
9 see people in the alcove in the world -- you know, they're  
10 working, they're in their pickup, I got to jump out and get  
11 something, they got to jump back in. They don't put their  
12 seat belts on. They're in a hurry. I've got to get down  
13 here, I've got to change the water. I've got to check on my  
14 circular irrigation, I got to check on this.

15           We need to wear our seat belt no matter where we  
16 are. We need to -- if we're going to drive, let's drive.  
17 Let's don't text. Let's don't talk on the phone. I'm  
18 really glad you're with us, sir. I really am. And I thank  
19 you so much for -- for wearing your seat belt. Excuse me.

20           MR. LEE: Thank you, gentlemen.

21           MR. HOUGHTON: And I appreciate every -- everyone  
22 being here today. We've got a pretty good agenda. Next  
23 month we will be in Lubbock, Texas, Fred.

24           MR. UNDERWOOD: Yes, sir.

25           MR. HOUGHTON: Commissioner Underwood. And we're

1 looking forward to being out there on the campus of Texas  
2 Tech University I understand.

3 MR. UNDERWOOD: Yes, sir.

4 MR. HOUGHTON: Or the --

5 MR. UNDERWOOD: And -- and Lubbock Christian  
6 University and South Plains. We have all the colleges.

7 MR. HOUGHTON: You have them all?

8 MR. UNDERWOOD: Yes, sir.

9 MR. HOUGHTON: We're looking forward to being out  
10 and it's been awhile since we've been out there.

11 MR. UNDERWOOD: Yes, sir. It has been. I --

12 MR. HOUGHTON: It's been awhile.

13 MR. UNDERWOOD: -- think it's been decades. We're  
14 --

15 MR. HOUGHTON: Well, we look forward to the --  
16 look forward to the visit. All right. James, it's all  
17 yours. Wait a minute. Wait. We got one item, one item.  
18 I'm so sorry, jump ahead and give you the gavel. First  
19 order of business is to approve the minutes of February 26,  
20 2014 workshop meeting and the February 27, 2014 Commission  
21 meeting. Drafts of these minutes have been provided and a  
22 brief of material. Is there a motion?

23 MR. AUSTIN: So moved.

24 MR. HOUGHTON: Second?

25 MR. UNDERWOOD: Second.

1 MR. HOUGHTON: All in favor?

2 (Chorus of ayes.)

3 MR. HOUGHTON: Thank you. Now James it's yours.

4 MR. BASS: Thank you, Mr. Chairman. Just as a  
5 general note on housekeeping items. Following all the  
6 action items today on the agenda, the plan is to recess into  
7 executive session. The Commission will then come back and  
8 take any comments and adjourn at that point. With that, we  
9 will begin with Item 3 recognizing Coby Chase for his 20  
10 years with the department. Mr. Chase, would you please come  
11 forward?

12 I have before me a resolution on behalf of the  
13 Commission that I'll quickly read. Whereas the Texas  
14 Transportation Commission takes great pride in recognizing  
15 Coby Chase for his outstanding service to the Texas  
16 Department of Transportation after a distinguished career of  
17 20 years most recently as the director of the Federal  
18 Affairs Division.

19 And whereas Chase earned his bachelor's degree in  
20 government as a dean's distinguished graduated from the  
21 University of Texas at Austin and worked in governmental  
22 affairs capacities at the university's research  
23 association's superconducting supercollider laboratory and  
24 the Texas National Research Laboratory Commission.

25 And whereas Chase began his TxDOT career in 1994

1 as director of the Legislative Affairs Office and later  
2 served as director of the Government and Business  
3 Enterprises Division and the Government and Public Affairs  
4 Division.

5           And whereas in 2012 he was named director of the  
6 Federal Affairs Division where he ably managed the agency's  
7 broad federal portfolio including congressional affairs,  
8 federal agency relationships and national organizations.

9 And whereas Chase also directed the International Relations  
10 Office overseeing the agency's role and border master  
11 planning, border crossing research, trade studies and  
12 assessment of the state's readiness when the Panama Canal  
13 expansion is complete.

14           And whereas Chase will be remembered for his  
15 creation of the Texas Transportation Forum which has grown  
16 into a popular well-respected annual event that highlights  
17 the state's transportation needs and is used and draws  
18 thousands of attendees and powerhouse speakers from across  
19 the country.

20           And whereas his insight, candor, compassion and  
21 humor will be greatly missed by everyone who has had this  
22 good -- their good fortune of working with him. And whereas  
23 TxDOT is a better agency today thanks to his outstanding  
24 leadership.

25           Now therefore be it resolved that the Texas

1 Transportation Commission does hereby extend its sincerest  
2 best wishes to Coby Chase and recognition of his  
3 professional achievements in a career of loyal services on  
4 behalf of the state of Texas and its citizens presented  
5 today, Thursday the 27th, March 2014.

6 Coby, we will now take any comments you would like  
7 to share with us.

8 MR. CHASE: I would like to note that I brought  
9 with -- and for the record, my name is Coby Chase. Yeah, 20  
10 years later, still don't remember that one. I brought with  
11 me my family not just because I love and respect them, but  
12 and somewhat of a human shield capacity today.

13 (Laughter.)

14 MR. CHASE: And I -- I would like to -- if it  
15 weren't for them getting me out of bed every morning and  
16 sending me in and reminding me why I come to work and -- and  
17 why I wanted to build a better safer transportation system  
18 in Texas, but that -- that's my inspiration, these two right  
19 there. I love you all to death. Thank you. Thanks for  
20 putting up with us.

21 And one of the kind of the interesting side  
22 benefits of this is I have a daughter or I think is the --  
23 thinks it's the coolest thing in the world to build bridges  
24 and roads. That's pretty awesome.

25 (Applause.)

1           MR. CHASE: I started 20 years ago. The agency  
2 was hire -- nice enough to hire me. I was going from a  
3 place that wanted to literally create a hundred million  
4 collisions per second to zero. That was quite -- that was  
5 quite a shift. And I didn't know how long I would stay  
6 here, but I think as everyone in front of me figures out  
7 soon enough this place is addictive, it's -- it -- it's the  
8 -- you can create more change and -- and help people more  
9 than you can with just about any other function and state  
10 government. It's amazing.

11           And from a personal standpoint, the last two and a  
12 half years of -- as I kind of call it the Miracle on  
13 Pavement, it's been amazing. The agency is -- has stopped  
14 focusing so much on trying to be who it used to be and it's  
15 finally -- and I -- I shouldn't say finally. Has -- has  
16 pointed towards what it wants to be and what it should be  
17 going into the future. It was one of the most amazing  
18 transfer -- transformations I had seen. And it was due to  
19 the leadership of -- of the people in front of me and one  
20 guy from Fort Worth in the back back there.

21           You all were -- and really, really changed this  
22 place for the better. It has been a remarkable experience  
23 over the last -- and the entire career has been amazing.  
24 And -- and unlikely and I just feel blessed that -- that I  
25 had it. For the last two and a half, three years have been

1 just miraculous to watch. You guys are fantastic to work  
2 with.

3           And it -- it has been wonderful to be able to say  
4 I work for the Texas Department of Transportation. People  
5 get it. People have a list of things they want to talk to  
6 you about when you tell them that. Kind of like a doctor at  
7 a cocktail party. Can you look at this rash?

8           (Laughter.)

9           MR. CHASE: But -- but it has been -- and this  
10 agency, we sometimes -- and Commission Austin pointed it  
11 out, is -- is a national leader. We're -- we're so focused  
12 on being a better Texas when you leave our -- our borders.  
13 It's amazing how other states and the feds really want to  
14 emulate things that go on in Texas. Sometimes we forget  
15 that, but it's nice at times to leave the state to hear it  
16 from others. And there are many, many, many people behind  
17 me who I worked with over the years who have been nothing  
18 short of miraculous and helpful and have pushed us forward.

19           And I would like to thank -- I've worked with  
20 wonderful professionals especially the current crop of  
21 people that I just abandoned. And I would like to also say  
22 Goldie, thanks for -- thanks for just showing up every day.  
23 And I -- I really do appreciate it and -- and forgetting me  
24 or at least biting your tongue a lot. I -- I really  
25 appreciate that. So thank you for a wonderful career. You

1 all are the best.

2 MR. HOUGHTON: At this point, Commissioners, do  
3 you have any comments you would like to share with Mr.  
4 Chase?

5 MR. VANDERGRIFF: Coby and I are kind of looking  
6 -- he's wondering what I'm going to say. I can tell -- he's  
7 going to have fun with all of us here. No, I -- I -- the  
8 first time I met Toby [sic] he was figuratively trying to  
9 kill me. He was doing his job and -- and representing  
10 adequately and effectively the interest of the state of  
11 Texas in issues and opportunities ready to the North Texas  
12 Tollway Authority. And so I got a chance to see up close  
13 and personal how great skills he has in communicating and  
14 articulating positions for the state of Texas.

15 And it's been my pleasure over the years in other  
16 capacities and now as a commissioner to get a chance to work  
17 with him. He has a great blend of humor, wisdom and get it  
18 done that I appreciate, but never so much is that I think  
19 the measure of the man which I appreciate even more is the  
20 fact that he took the time today just today just a few  
21 minutes ago to acknowledge the support he got from Goldie  
22 and somebody that had worked with him for a long time. And  
23 -- and he never forgets and always appreciated the people  
24 that worked with him. And for that, you have my hat off as  
25 well. So -- but I -- I will have a lot of fun with you and

1 your new mental health job. So we will -- we will enjoy  
2 your company for many years to come.

3 MR. CHASE: Thank you. Thank you so much.

4 MR. MOSELEY: Chairman Members, I met Coby through  
5 his lovely bride Julie and Julie and I met in 1999 when I  
6 joined the Department of Economic Development. And over the  
7 years of working with Julie had many occasions to come  
8 across Coby and -- and quickly picked up on his passion for  
9 his assignment for the mission of TxDOT. That was self-  
10 apparent. Clearly he has a love for the estate and for the  
11 mission here. And so it was just a pleasure to become a  
12 part of the TxDOT family, Coby, and -- and have a chance to  
13 work with you on some initiatives and then understand more  
14 about your contributions.

15 And clearly because of your work here, I have no  
16 doubt that TxDOT has been able to effectively come this side  
17 of back-to-back sunsets on a much more meaningful way.  
18 You've guided that communication with lawmakers and help  
19 guide us. And -- and I appreciate that.

20 And you've also working primarily with  
21 Commissioner Austin and I've done a little bit of this work  
22 with you help raise the awareness of this agency with so  
23 many important friends and congress and in Washington. And  
24 -- and so we appreciate the momentum that has been set there  
25 and -- and of course the summits have helped that too.

1           So thank you for putting this agency on that  
2 course and putting the wind in our sails and we commit to  
3 you to -- to continue this bold vision because it's an  
4 important vision. And it's good for Texas and it's good --  
5 good for this agency.

6           I appreciated so much Coby's sense of humor. I  
7 didn't fully appreciate it until one time we were in North  
8 Central Texas and -- and he was kind of enough to pick me up  
9 at the airport to get us to a meeting. And he had -- he  
10 brought his nav system to put into the rental car. And the  
11 voice on the nav system that was guiding us was the voice of  
12 Homer Simpson's boss. Mr. Burns, is --

13           MR. CHASE: Mr. Burns, yes.

14           MR. MOSELEY: Mr. Burns.

15           MR. CHASE: Very good.

16           MR. MOSELEY: And that -- so that -- that tells me  
17 a lot Chairman that we -- I -- I --

18           MR. AUSTIN: Being guided by Homer Simpson --

19           MR. MOSELEY: We were being guided by Mr. Burns to  
20 get to our place of business. But God bless you Coby, Julie  
21 and good to have your daughter with -- with you today. But  
22 thank you for sharing Coby with us. We appreciate that.  
23 Congratulations. I'm dying to see how you'll take all these  
24 combined skills that you've accumulated over the decades and  
25 put it to work at Meadows Mental Healthy Police Institute

1 and I wish you the very best in your new venture.

2 MR. CHASE: I need it. Thank you, Commission.

3 Thank you so much.

4 MR. AUSTIN: Well, Coby, I -- I can follow up, you  
5 know, how are you -- how you put this to use. One of my  
6 favorite comments I always hear from you but I always got a  
7 little worried and I'm sure others did too, hey, I have an  
8 idea. And when Coby gets off, you never know where it's  
9 going to go, but I can promise you so many people don't have  
10 a clue of how he deliberately looks at both sides of an  
11 issue to formulate an opinion and where to go that's right  
12 and -- and best for the state of Texas.

13 And Coby, yes, I did just get back from D.C. and  
14 there were so many comments that were made. I was up there  
15 in another capacity, a banking role, but it -- tell Coby  
16 hello, we appreciate what he has done for the state. And  
17 for -- again, I want to say I know we -- we made some  
18 comments last month down in Laredo. Your input and your  
19 diligence and persistence to make some -- help -- help make  
20 some policy changes that are good for the state of Texas  
21 that we're working on right now and for transportation and  
22 mobility in the last reauthorization bill, MAP-21, we'll be  
23 thankful for many, many years.

24 And I know we're going to miss that right now, but  
25 what you have also done is work with your team and staff to

1 share the knowledge, include them and work what's going on.  
2 And while some people can leave and they leave a big void,  
3 yes, we will have a void, but you've also taken the time to  
4 train your staff and work with them. And that's -- that's  
5 the sign of a true leader.

6 Coby, I've enjoyed the friendship. Thank you  
7 very, very much for your wit, your humor, keeping us all in  
8 line. And -- and thank you for what you've done. Sydney, I  
9 know you'll have fun having dad back. Thank you.

10 MR. CHASE: Thank you.

11 MR. UNDERWOOD: Coby, I associate myself and my  
12 colleagues' remarks for you all to -- if you'll real close,  
13 you'll realize that Coby over married, you know, and  
14 definitely also she's a Texas Tech grad which really put her  
15 high in my -- my view. And so you really did well. And  
16 also you have a very pretty young lady as a daughter. I  
17 know you're excited. And I was really proud of you for  
18 recognizing them and as -- as my colleague said, that shows  
19 the class that you have.

20 I -- I know your wife sometimes wish you had a  
21 hazardous duty pay living with you, but one -- one last  
22 thought. You know, Coby does have a -- a good sense of  
23 humor. If I thought, I would have brought a butterfly net  
24 for you because so many times his sense of humor goes over  
25 everybody's head. And so but I appreciate everything you've

1 done for the organization.

2           And I will miss you. I will miss our  
3 conversations that we used to have during the legislative  
4 session. Those were fun times.

5           MR. CHASE: They were.

6           MR. UNDERWOOD: So -- but thank you very much for  
7 what you've done. You get him back, we will miss him. And  
8 be proud of your dad, please.

9           MR. CHASE: Thank you.

10          MR. UNDERWOOD: Thank you.

11          MR. HOUGHTON: Save the best for the end, huh? I  
12 want to recognize former chair Delisi. She's back in the  
13 back. She may want to have something to say about you or to  
14 you. She's -- and of course you got former Commissioner  
15 Bill Meadows in the back. And it's kind of ironic that  
16 you're going to work for the Meadows Foundation for mental  
17 health.

18          (Laughter.)

19          MR. HOUGHTON: And -- and it's quite interesting.  
20 But you did say that the best part of the years were the  
21 what, last two and a half to three?

22          MR. CHASE: For changes to say -- yes, absolutely.

23          MR. HOUGHTON: Yeah. Fred, how -- how long have  
24 these other three been on the Commission?

25          MR. UNDERWOOD: I'm trying to -- two and a half.

1 MR. HOUGHTON: Two and a half. So it's been Fred  
2 and --

3 MR. CHASE: Yeah.

4 MR. HOUGHTON: -- right here, I mean.

5 MR. CHASE: Right. Right. Okay.

6 MR. UNDERWOOD: I think he's trying to say this is  
7 why Coby's leaving us.

8 (Laughter.)

9 MR. HOUGHTON: Is that what you're trying to --  
10 now are you trying to say something, Coby, to the rest of  
11 the three to the -- my immediate right or -- or -- well,  
12 congratulations to you. I'm glad to you -- do you want to  
13 say anything else, Coby?

14 MR. CHASE: Oh, no. Please. We're fine.

15 MR. HOUGHTON: No, thanks -- thanks for all your  
16 -- all your service. And we have many items here. It's  
17 going to take a while. I don't know where all of this stuff  
18 came from, but we have some things we'd like to share with  
19 you. And obviously the -- the pictures and if there's  
20 anybody else in the audience that would like to say anything  
21 about Coby or to him, they're very welcome to do so. But  
22 thank you for your service and your friendship more --

23 MR. CHASE: Thank you.

24 MR. HOUGHTON: -- importantly.

25 MR. CHASE: Thank you so much. It's been fun.

1 MR. BASS: Okay. No other comments,  
2 Commissioners, if you would take a minute to step down and  
3 we could take some pictures quickly.

4 (Pause.)

5 MR. BASS: One more -- one more, folks. One more.  
6 All right. If you hadn't seen this before, Coby had this  
7 done right before he left and this is a -- his green board  
8 or chalkboard in his office. And there is a lot on there,  
9 but I do want to direct your attention to Number 12 for the  
10 other commissioners and employees of the agency.

11 MR. AUSTIN: We trust you, Coby.

12 MR. HOUGHTON: This is a very clever -- this will  
13 be memorialized in some way for you, Coby. I think we'll  
14 make sure you have this framed for your new -- new digs over  
15 at the Meadows Mental Health Foundation.

16 MR. CHASE: Thank you.

17 MR. HOUGHTON: Congratulations.

18 (Applause.)

19 MR. BASS: All right. Mr. Chairman, I will move  
20 on to Agenda Item 4, appointing members to the Commission  
21 for the High-Speed Rail. Railroad Division Director Erik  
22 Steavens will prevent -- present.

23 MR. STEAVENS: Good morning, Mr. Chairman,  
24 Commissioners, Mr. Bass. For the record, my name is Erik  
25 Steavens, TxDOT Rail Division director. This minute order

1 appoints additional members to the Commission for High-Speed  
2 Rail in the Dallas-Fort Worth region. On January 30th,  
3 2014, the Commission created an advisory commission on High-  
4 Speed Rail in the Dallas-Fort Worth region and appointed  
5 William Bill Meadows as the presiding officer and determined  
6 that additional members to the advisory commission would be  
7 appointed at a later date.

8           The department recommends the appointment of  
9 Vonciel Hill, Jere Thompson, Jeff Williams, Glen Whitley,  
10 Lorraine Miller and Dee Kelly to the Commission for High-  
11 Speed Rail in the Dallas-Fort Worth Region to advise staff  
12 on the development of inner city rail corridors, new  
13 transportation policies, funding and procurement for High-  
14 Speed Rail.

15           These appointments will work with the presiding  
16 officer William Bill Meadows to accomplish these tasks. The  
17 department may also appoint additional members to the  
18 Advisory Commission and specify additional duties at a later  
19 time. The staff recommends approval to appoint additional  
20 members to the Commission for High-Speed Rail for the  
21 Dallas-Fort Worth region. Thank you.

22           MR. HOUGHTON: Commission Vandergriff, this is  
23 your -- your deal.

24           MR. VANDERGRIF: Yes, it is, sir. I certainly am  
25 going to recommend approval of that, but I do want to note a

1 couple of things if I can and also to invite the chairman of  
2 the High-Speed Rail Commission to address the Commission if  
3 he would like to do so as well.

4           But I -- a brief bit of background. I think many  
5 people in this room certainly and all the Commission members  
6 are aware of the announced plans of the Texas Central  
7 Railway to privately fund a connection, High-Speed Rail  
8 connection between the cities of Houston and Dallas. And it  
9 is a massive undertaking that they hope to have financing  
10 secured for in the next couple of years under construction  
11 and operational by 2021. That's their stated goal. So  
12 that's a very rapid and aggressive pace to -- to move  
13 forward. They appear real armed and ready to go to -- to  
14 accomplish this task.

15           If that occurs, then I think it is a game changing  
16 catalyst that can take place in Texas. And -- and critical  
17 to that cause is to connect the traffic between the -- the  
18 great city of Forth Worth and Dallas with a potential stop  
19 in the inner Damon strict which is near Arlington, Texas,  
20 certainly my home town.

21           But in addition to that, I think it provides a  
22 potential leverage and fulcrum to help not only that  
23 corridor, but a corridor all the way stretching for what  
24 ultimately could be another connection running from Oklahoma  
25 down to Laredo and into Mexico.

1           So the private sector is working to really put  
2 together a game changing catalyst. And it's necessary and  
3 altogether fitting that we establish a blue ribbon  
4 Commission with tremendous leadership. All kidding aside,  
5 there is not a better person equipped to lead people in the  
6 Metroplex on this project to get it done than Bill Meadows  
7 and the six other people named with him who I all know  
8 personally, many of you, if not all -- if all of them will  
9 be known to each of you, these are aggressive can-do people  
10 and they will be working to not to pick our pocket per se,  
11 but it is to enhance our ability to help them accomplish  
12 this goal for the North Texas region for all of Texas. And  
13 we'll certainly be working closely with federal government  
14 as well.

15           I am excited, honored and charged by the  
16 opportunity to aggressively support this Commission and  
17 propose that it be created and be staffed -- or excuse me,  
18 not staffed but be armed with the six members that are being  
19 added today. So I'm certainly going to ask for your  
20 support, but I will ask my friend and your friend, Bill  
21 Meadows, if he wishes to speak.

22           And I was very kind. I -- I hope -- I said  
23 nothing out of -- I had so much ammunition on Bill we could  
24 go a lot of different directions --

25           MR. MEADOWS: Wow.

1 MR. VANDERGRIFF: -- but I spoke -- but I spoke  
2 the truth.

3 MR. MEADOWS: Let it go. Let it go.

4 MR. VANDERGRIFF: But I spoke the truth in -- in  
5 terms of the issues at the right time.

6 MR. MEADOWS: We don't have enough time today to  
7 get --

8 MR. VANDERGRIFF: Yeah, that's why --

9 MR. MEADOWS: -- into that. I mean, and it's like  
10 -- and I would say -- and let me remind you that you all are  
11 awake this morning. This is not a nightmare. And let me  
12 also tell you that from this -- this perspective, although  
13 you don't believe it, this view is actually a better one  
14 than the view that you all have up there.

15 I'll -- I'll tell you. This is a great  
16 opportunity. I think -- I'm not going to take any -- any  
17 time to speak of, but I -- I think we all recognize there  
18 really is an opportunity for Texas as we looking into the  
19 future, certainly this a possibility, certainly not a  
20 probability.

21 But you have in the opportunity over the last  
22 month or so, two months I guess now, visiting with Chairman  
23 Houghton about this who recognizes it. And certainly  
24 Commissioner Vandergriff has been very actively involved in  
25 advancing this notion. And then working with the TxDOT

1 staff that's focused on this. I had the opportunity to meet  
2 with Mark and Erik. And Russell has been around and about  
3 the issue and Andrea and Lofie.

4 I mean, I -- I said that -- I made the comment  
5 yesterday and it's really true. TxDOT has this brain trust  
6 that really can be brought to bear on really examining this  
7 -- this opportunity, exploring it, working with the regional  
8 transportation council staff.

9 I really do think that and this group of  
10 individuals that are going to volunteer their time to come  
11 together to explore the opportunity, I think we're going to  
12 produce some good work that is -- and that work product  
13 ultimately comes back to this commission for you all to take  
14 whatever steps you feel like are the right thing to do for  
15 the citizens of the state and for the citizens of that  
16 region.

17 So I'll thank you for the opportunity to have a  
18 job and -- and I really do think that this is again a really  
19 wonderful and exciting opportunity for the citizens of the  
20 state. And thanks very much. And I appreciate it again,  
21 TxDOT staff. You all have a good day.

22 MR. MOSELEY: Well, I was just going to --

23 (Laughter.)

24 MR. MOSELEY: Do you have any of your other  
25 nominees here with you today?

1 MR. MEADOWS: No.

2 MR. MOSELEY: Okay. Chairman, I -- I would just  
3 add that I think Jon Carpenter and Naman Carter would be  
4 very pleased to see this initiative and none better than  
5 Bill Meadows to chair it. So really I'm pleased to second  
6 Mr. Vandergriff's motion.

7 MR. MEADOWS: And let me mention that and it --  
8 I'm -- I appreciate you bringing that up, because this  
9 morning in fact Mayor Parker in Houston and Mayor Rawlings  
10 from Dallas, Mayor Price from Fort Worth. Mayor Cluck  
11 happened to be traveling, was not able to attend. But in  
12 Houston today, those three mayors have come together --

13 MR. MOSELEY: Right.

14 MR. MEADOWS: -- with again Arlington support.  
15 But, you know, it really is -- it is not just a regional,  
16 but this really is viewed as a statewide opportunity. And  
17 those mayors have really recognized it. And in their press  
18 conference today, you know, announcing their support for --  
19 for this initiative.

20 MR. MOSELEY: Wonderful.

21 MR. MEADOWS: I think it really speaks volumes  
22 about what that opportunity really is, the depth of the  
23 volume.

24 MR. MOSELEY: That's right.

25 MR. HOUGHTON: Well, it has a lot to do with the

1 climate, business climate in this state and the -- the can-  
2 do attitude and the geographic nature of the state too. So  
3 I was -- I think I'm going to quote you. I think you're the  
4 one that told me this. Somebody told me this that the  
5 flights between Houston and Dallas, are you the one that  
6 told me this? The passenger loads over what -- over what  
7 plane, 20 years, have not increased?

8 MR. MOSELEY: Yeah.

9 MR. HOUGHTON: So we have increased this  
10 population by millions.

11 MR. MOSELEY: Yeah.

12 MR. HOUGHTON: So they're not flying. If they're  
13 not flying, they must be driving.

14 MR. MOSELEY: Yeah.

15 MR. HOUGHTON: And then this will give them  
16 another -- alternative way of getting around the state, so  
17 --

18 MR. MOSELEY: Yes.

19 MR. HOUGHTON: -- I found that very profound when  
20 you -- when you talk about passenger loads between.

21 MR. UNDERWOOD: Less pollution.

22 MR. HOUGHTON: Yeah, and less pollution obviously.  
23 Stewards of our environment. Thank you, Mr. Meadows.

24 MR. MEADOWS: Thank you very much.

25 MR. AUSTIN: Bill, before you leave, I want to say

1 I heard -- I was talking to a couple of folks in Dallas as  
2 they saw this announcement coming up. And they said this is  
3 exciting. We're bringing from Forth Worth so all these kids  
4 can get to SMU a lot quicker. Really magic. Not -- by the  
5 way, they did win last night, but I want to say thank you --  
6 what you -- what I like about this as you described as  
7 Commission Vandergriff, you -- look at the Texas triangle,  
8 connecting and bringing business leaders to make this  
9 happen. If there -- if people are going to continue moving  
10 here, we've got to find different ways to move them. This  
11 is important. And while I was up in D.C., Congressman  
12 Quayle who kind of lead the letter -- promoting, asked me  
13 for additional 400,000 to extend the study that's coming  
14 from Oklahoma City down to the Metroplex San Antonio into  
15 Mexico, he's following up on that and I -- we hope we can  
16 continue to do that to bring back that route selection,  
17 because that's only going to add to the connectivity coming  
18 in and out of our state and up into the -- the Metroplex.  
19 So thank you for your leadership. We may need you in other  
20 places too.

21 MR. MEADOWS: Thank you so much. I had one eye on  
22 the door for the last few --

23 MR. AUSTIN: I know.

24 MR. HOUGHTON: For a guy that didn't want to speak  
25 very long, it was four -- it was -- it was four minutes.

1 Okay.

2 (Laughter.)

3 MR. HOUGHTON: Is there a motion?

4 MR. VANDERGRIFF: So moved.

5 MR. AUSTIN: Second.

6 MR. MOSELEY: Second.

7 MR. HOUGHTON: All in favor?

8 (Chorus of ayes.)

9 MR. HOUGHTON: Choo-choo, the train has left the  
10 station. All right. Next, we have a few discussion items.  
11 The first of which will be an update on the Real Estate  
12 Program. Director of Real Estate Management & Development  
13 Roland Tilden will present.

14 MR. TILDEN: Good morning, Chairman Houghton,  
15 Commission members, Mr. Bass. And for the record, my name  
16 is Roland Tilden. I'm the director of Real Estate  
17 Management & Development for TxDOT. And this is Discussion  
18 Item 5(a) an overview, an update on the activities within  
19 the Real Estate Management & Development Division for the  
20 last 60 days.

21 I like to start with division and with over 20  
22 years in the private experience in the private sector, I  
23 want to bring best in class business practices to the real  
24 estate disposition process and value creation at TxDOT. And  
25 within that, we've got a long term and short term mission.

1 And the long term mission is to strategically and  
2 holistically optimize the real estate portfolio, but I think  
3 we have an imperative in the short term to generate sales of  
4 TxDOT assets, focusing on properties not needed for highway  
5 purposes. And I'll get into the reasons for that here  
6 shortly.

7 I only -- I think some background would be -- be  
8 helpful to get started. TxDOT has been in land acquisition  
9 mode for much of the past century. And when you think about  
10 what was taken place over the last 75 years, clearly  
11 planning for transportation needs was essential. And but  
12 like most things over time, priorities change and now we  
13 find ourselves holding property for which we don't expect  
14 there to be any -- any expected highway use.

15 And -- and selling these tracks benefits TxDOT and  
16 the citizens of the state. Two things jump out I think at  
17 first. Number one, currently this property is now on the  
18 tax rolls. And much of it is suitable for development and  
19 putting it back on the tax rolls creates -- increases tax  
20 revenue for a few municipalities in the state.

21 And secondly, proceeds from these sales would go  
22 to the State Highway Fund. And I -- I think about this and  
23 relate it back to my private sector experience. It's very  
24 akin to a company that's been in acquisition mode. And at  
25 some point you have to step back and look at your asset --

1 or portfolio of assets rather and look at how you optimize  
2 those for -- for the best interest of your shareholders. In  
3 our case, the citizens of the state.

4 Accomplishments. Over the past 60 days, our team  
5 has accomplished a lot working across the agency. I need to  
6 recognize our partners in OGC and in right-of-way. Our  
7 first priority was very basic. We had to build a  
8 replicatable and sustainable process to dispose of property.  
9 And what we did is we -- with a partnership across the  
10 agency, we took a process that took 12 months and reduced it  
11 down to six which in working with the private sectors a much  
12 more acceptable time frame to get any type of transaction  
13 done.

14 And I -- I want to highlight a couple steps that I  
15 think really differentiate our process. Not only did we cut  
16 the transaction time, but moved from a reactive to a  
17 proactive process. And specifically, there's three steps I  
18 want to highlight. One is asset identification. So  
19 understanding your portfolio and you'll see a little more  
20 detail about that in a few minutes. But in its asset  
21 marketing to understand what the market is for particular  
22 property.

23 And then finally, price discovery. And then those  
24 three steps would take place prior to us actually engaging  
25 in our disposition process which follows due course as per

1 our rules and regulations.

2           So I think about that as very foundational to  
3 where -- to where we are.

4           Secondly, to that point of asset identification,  
5 we just completed our assessment of the Dallas-Fort Worth  
6 market. We conservatively identified properties which we  
7 believe to have just over a hundred and twenty million  
8 dollars in value. I'll give you an example of one of those  
9 here shortly. That same analysis has been started in  
10 Houston, Austin and San Antonio. And we expect that to be  
11 completed in mid-April.

12           Additionally, we launched a RFP for commercial  
13 brokerage services. So we ensure that our properties have  
14 the maximum exposure in the marketplace.

15           And lastly and most importantly, I get back to the  
16 imperative around our short term mission. We secure letters  
17 of interest for three properties that could represent more  
18 than \$40,000,000 in direct revenue into the State Highway  
19 Fund. And I think -- if I have to summarize and hang my hat  
20 on four things in the first 60 days, that's -- that's my  
21 story and I'm sticking to it.

22           Next, I want to highlight one of the properties  
23 that I think is very illustrative of the opportunity that we  
24 have. This is in Dallas, Texas. This is -- we call it  
25 Churchill Way and US 75. It's roughly a 13.3 acre tract

1 that is one of the largest tracts still remaining in that --  
2 that bought south of 635 west of US 75 and east of the  
3 tollway. And we -- we won't even have to list this  
4 property. We have had multiple letters of interest. As a  
5 matter of fact, yesterday we sent the letters to the city of  
6 Dallas, Dallas County and the Richardson ISD indicating that  
7 we are -- the property is available for a price of 16 and a  
8 half million dollars or 28.50 per square foot.

9           This is a -- will be our first property that will  
10 actually take through our process and I believe is the first  
11 of several deals that I think will be coming back to the  
12 commission on -- at a later date.

13           Next steps, and I think -- I go back to our short  
14 term imperative which is to close our \$40,000,000 pipeline.  
15 That is -- our team's number one priority over the next  
16 several days and weeks.

17           Secondly, we've -- we want to make the award with  
18 the brokerage services contracts to a highly capable group  
19 of external partners. So we'll be able to get the best  
20 representation possible for our properties in the  
21 marketplace.

22           And then that leads right to the third next step  
23 which is really listing properties in Houston, Austin and  
24 San Antonio. And I'd like to share with you as I've had  
25 dialogue with developers and interested parties across the

1 state, there is a buzz that's being generated that TxDOT as  
2 assets that could be -- could come on the market. And I  
3 think as we build traction with visibility, that's only  
4 going to increase that buzz over time.

5           And lastly, it'll be up to us to explore, and I  
6 want to emphasize the word explore here, that there are  
7 other opportunities to monetize some of our land assets.  
8 And they -- they could include selling and relocating  
9 existing TxDOT facilities. And I say that we wouldn't  
10 consider any type of transaction in that area unless it was  
11 part of a broader strategic plan and well thought out. And  
12 there are other avenues such as carbon sequestration  
13 credits, traditional alternative energy plays, air rights  
14 that we're going to be exploring as part of our alternative  
15 strategies as we move forward.

16           Chairman Houghton, that concludes my presentation.  
17 I'm open to your comments and any questions.

18           MR. VANDERGRIFF: I -- I --

19           MR. HOUGHTON: Hold on. Hold on. Hold on.

20           MR. VANDERGRIFF: All right.

21           MR. HOUGHTON: We have a speaker. Don Dixon.

22 Don, you want to -- I'm going let Don speak first.

23           MR. DIXON: Thank you, Mr. Chairman. Obviously,  
24 we want to do everything we can to get assets into this  
25 fund, because we know the fund -- fund is short, but what I

1 would like to make sure that you do when you look into this  
2 program that if these properties were taken by eminent  
3 domain for the purpose of highway use and now -- now they're  
4 not used for that, you want to make sure that the party  
5 where this property was taken from, you go back and give  
6 them a chance to get to buy this property back at the price  
7 that you paid for it.

8           What we're looking at here, we want to make sure  
9 that property rights in this state is protected. So we  
10 don't want this agency to look like they're taking property,  
11 they're getting it and putting it into their asset and then  
12 they're flipping it for a big profit and really abuse the  
13 property rights that you took this property from in the  
14 beginning.

15           So you want to make sure you guard against this,  
16 because this not would be good for this agency. We want to  
17 make sure that this -- this is done fairly and that the  
18 property rights are not abused. Thank you, Mr. Chairman.

19           MR. HOUGHTON: Yeah. And -- and Counselor Graham  
20 and Roland, we know of the origination of these properties,  
21 do we not? We know where they -- once they came, right?  
22 Yeah. Thank you, Don.

23           MR. DIXON: Thank you, Mr. Chairman.

24           THE COURT: Okay. Now you ask Roland questions.

25           MR. VANDERGRIFF: Actually, I was going to ask

1 something similar. When do -- to your knowledge, when was  
2 this property acquired?

3 MR. TILDEN: To my -- to the best of my knowledge  
4 it was in the 50s when this property was acquired.

5 MR. VANDERGRIFF: And -- and do you have any  
6 history of like who owned it and why it was required? Was  
7 the highway going to go there at one point and didn't or was  
8 it acquired for some other purpose?

9 MR. TILDEN: I think at some point there were  
10 plans for it to be leveraged for highway use and those plans  
11 changed. And as a result for the last 20 years, it's been  
12 used as a parking lot for -- that was been leased by DART,  
13 Dallas Area Rapid Transit. And --

14 MR. VANDERGRIFF: But -- but it was used -- I  
15 mean, it was to -- for expansion of 30 or 75 I assume at  
16 that point or something?

17 MR. TILDEN: That was -- that was the -- the plan.

18 MR. VANDERGRIFF: Actually, 75 didn't exist, so it  
19 was just --

20 MR. TILDEN: Right.

21 MR. VANDERGRIFF: -- a farm road there.

22 MR. TILDEN: Right.

23 MR. VANDERGRIFF: Okay. And do we have record of  
24 who those owners were --

25 MR. TILDEN: Yeah, we do.

1 MR. VANDERGRIFF: -- of that property?

2 MR. TILDEN: We do. And I want to -- out team has  
3 gone through and vetted that --

4 MR. VANDERGRIFF: All right.

5 MR. TILDEN: -- that process.

6 MR. VANDERGRIFF: You haven't -- is -- is it with  
7 them that they're still around in existence?

8 MR. TILDEN: I can certainly follow up to make  
9 sure that they -- we've run through several traps to make  
10 sure our process is being followed --

11 MR. VANDERGRIFF: Yeah.

12 MR. TILDEN: -- per law, per our agreement.

13 MR. VANDERGRIFF: Well, I -- I can understand that  
14 they were paired -- paired fair market value at the time for  
15 the property, but at the same time --

16 MR. TILDEN: That's right.

17 MR. VANDERGRIFF: -- if -- if they want to pay us  
18 back for it, then -- then I would be interested in their  
19 reaction to that.

20 MR. TILDEN: Well, in our process you think about  
21 what happens that once we get to the point of a transactable  
22 offer, we have -- the first priority goes to the government  
23 entities.

24 MR. VANDERGRIFF: I understand.

25 MR. TILDEN: And the next priority would go to the

1 adjacent land owners if it's right-of-way. And then  
2 assuming if there was no interest from either one, then it  
3 would go to a sealed bid and be offered to the general  
4 public. And we will follow that process on every property  
5 --

6 MR. HOUGHTON: And that -- and that is by law.

7 MR. TILDEN: That's by law.

8 MR. HOUGHTON: Is that correct, Jeff? Okay.

9 MR. MOSELEY: Yes, sir.

10 MR. HOUGHTON: Okay. So we're following the  
11 dictates of the -- of -- of statutes, right?

12 MR. TILDEN: Absolutely.

13 MR. HOUGHTON: Okay. Any other questions?

14 MR. MOSELEY: Yes. Roland, thank you for what  
15 you're doing. I think this is a -- it's a very timely  
16 initiative. And it's clearly we have assets that we have to  
17 look at managing. So thank you for putting this initiative  
18 in place.

19 As we look at strategic real estate holdings and  
20 if they weren't inquired through condemnation and we have  
21 the ability to go to market, I would just ask that you  
22 consider auctioning properties as an opportunity to maximize  
23 the yield back to this fund.

24 And the reason I say that, it's my understanding  
25 from observing some real estate auctions that the bidder,

1 the full price of that -- of that land value goes to the  
2 seller. And the bidder adds 10 percent to their final bid  
3 to pay the auctioneer. So there are no fees paid to real  
4 estate. You know, there's no -- there's six percent cuts or  
5 --

6 MR. TILDEN: Right.

7 MR. MOSELEY: -- fees paid. It's just coming back  
8 to the taxpayers. So I would just ask you to take a look at  
9 that. When you have a hot property like this, assuming that  
10 Don's questions are answered and it really is free and  
11 clear, you might find that an auction really drives the  
12 value of that and we're not having to pay a broker fee.

13 MR. TILDEN: Commission Mosley, thank you for that  
14 comment and question. It -- it really raises something  
15 that's on my mind which gets to currently as an agency we  
16 are limited to this process I just outlined when it comes --

17 MR. MOSELEY: Right.

18 MR. TILDEN: -- to disposing property. And I --  
19 and we lack the flexibility of other government agencies to  
20 -- to sell -- to dispose of property. And I would put out  
21 there as a -- if there was an ask that we look at getting  
22 the support, garnering the support to give our agency that  
23 flexibility to achieve what you just described.

24 MR. MOSELEY: Oh, thank you.

25 MR. AUSTIN: Real -- I really appreciate this

1 update and I know there's been some work in getting to this  
2 point, you know, as we look at all the property around the  
3 state and there's a lot that we have and there's some we  
4 probably don't know we have that --

5 MR. TILDEN: Right.

6 MR. AUSTIN: -- part of your mission is to find  
7 out what these are and not -- and this probably can be  
8 better used by the local entities or local businesses that  
9 can -- we can move on.

10 But it is interesting. You know, Don does raise  
11 an interesting question. You know, we're not in the  
12 business of acquiring and flipping.

13 MR. TILDEN: Right.

14 MR. AUSTIN: And what we're dealing with right now  
15 or what's happened over decades --

16 MR. TILDEN: Right.

17 MR. AUSTIN: -- with property that has been  
18 acquired, and I'm reminded as -- as he was making his  
19 comment, I think back, you know, in the -- obviously the  
20 banking business you have two. We've been involved in -- or  
21 aware of transactions where the railroad had property and  
22 those did contain by statute or the way it's negotiated true  
23 rescissionary rights.

24 MR. TILDEN: Right.

25 MR. AUSTIN: And I think a lot of what we're

1 dealing with if -- had those -- had those true rescissionary  
2 rights would have already gone back --

3 MR. TILDEN: Right.

4 MR. AUSTIN: -- potentially to the -- to that  
5 owner. But as -- as -- I want to shift gears for a second.  
6 You talked about managing our overall real estate assets.  
7 You know, you were in the banking business. As we look at  
8 what happened -- has happened to banks, we had big  
9 buildings. We've had large offices, things like that, that  
10 digitization and technology has changed and transformed what  
11 we actually need today. We don't need all of big space.

12 MR. TILDEN: That's right.

13 MR. AUSTIN: After digitizing -- you know, when we  
14 had proof machines, well, we all do things electronically.

15 MR. TILDEN: Right.

16 MR. AUSTIN: And the electronic records, credit  
17 files, the same is happening here is with our new IT system.  
18 We hope we can begin to digitize, have more availability of  
19 documents not just internally but externally as well. And I  
20 hope you can continue to look at that as we migrate and look  
21 at our space needs over the next five to 10 years, because  
22 that's a big -- that's a big task.

23 MR. TILDEN: Thank you, Mr. Austin. I -- I had  
24 two real opportunities and Commission Mosley hit on -- hit  
25 on one of them and I think you hit on the other that we do

1 have an opportunity from a digitization standpoint. We have  
2 a -- I'll call it a plethora with the understating the  
3 number of documents, maps and records that we have. And I  
4 think there's a clear win from a space optimization  
5 standpoint and I saw this firsthand in -- in the business --  
6 or particularly in banking in the last 10, 15 years.

7           But as also from a -- a big data making smart  
8 decisions space. I mean, we -- we lack I think the ability  
9 to truly look at a strategic plan with the best data  
10 possible. And I think we can really get to that issue as  
11 well through that.

12           MR. VANDERGRIFF: I -- I just have two quick  
13 questions. One is a follow up and I want to be sure it's  
14 clear. The process, does it allows us to actually offer  
15 this property back to the previous property owner for the  
16 fair market value of the property as it exists today?

17           MR. TILDEN: Well, if it's required, there was a  
18 -- there's a rescission.

19           MR. VANDERGRIFF: I understand, but not -- but my  
20 question is does this process or do we have any agreement in  
21 effect that --

22           MR. TILDEN: Well, not every property has a  
23 rescission impact.

24           MR. VANDERGRIFF: I'm -- I'm just asking the  
25 answer to the question I asked you. We -- at this point in

1 time we don't have a rescissionary interest in contract --

2

3 MR. TILDEN: Correct.

4 MR. VANDERGRIFF: -- correct?

5 MR. TILDEN: Correct.

6 MR. VANDERGRIFF: So if we can keep it -- does the  
7 process that we follow in notifying cities and the like, do  
8 we have the option of going first to the previous property  
9 owner and ask them if they would like to buy the property  
10 back for the fair market value of the price?

11 MR. TILDEN: The government entities have the  
12 first priority.

13 MR. VANDERGRIFF: That -- I just want to be clear  
14 do we have the right to go back to the previous property  
15 owner and ask them if they would like to buy the property --

16 MR. HOUGHTON: That's a yes or no.

17 MR. VANDERGRIFF: -- for the fair market -- yes.

18 MR. TILDEN: And before we get --

19 MR. HOUGHTON: It's a yes or a no.

20 MR. TILDEN: No.

21 MR. VANDERGRIFF: That's what I was asking for, so  
22 thank you for telling that.

23 MR. AUSTIN: But -- but we could --

24 MR. VANDERGRIFF: One second.

25 MR. AUSTIN: Oh, I'm sorry.

1           MR. VANDERGRIFF: And then the -- the other  
2 question that I want to make sure, is the point true or not  
3 for you, it's for the Commission, because I know we like to  
4 talk a lot, but the -- the point is that this money if it  
5 does come back in, wherever it comes in and different  
6 communities I think is important to spend if -- if we cannot  
7 let the property owner have it, to spend it in the community  
8 in which we're getting it. So like in this particular case,  
9 this property is in Dallas County and I think it should be  
10 spent in Dallas County.

11           MR. UNDERWOOD: But what you're saying is it's  
12 going into the highway fund which makes the pot bigger.  
13 Everybody's going to get a bigger slice of the pie and stay  
14 -- it should stay in that region.

15           MR. VANDERGRIFF: That's correct.

16           MR. BASS: I -- if I can just highlight, while the  
17 revenue will go into the State Highway Fund, it is not  
18 automatically appropriated to TxDOT. And so one, it'll be a  
19 decision of the legislature how those revenues, what agency  
20 they go to. And what we would plan on doing is as we  
21 receive this revenue through a process that's laid out in  
22 the Appropriations Act, we would plan on notifying the  
23 legislature that we have received revenue that was not  
24 anticipated when they appropriated. And we would likely  
25 seek that appropriation. And if that's the Commission's

1 desire --

2 MR. HOUGHTON: It's desired process.

3 MR. BASS: -- through the OBB process --

4 MR. HOUGHTON: Right.

5 MR. BASS: -- we can certainly -- if they respond  
6 favorably to that, direct that additional appropriation back  
7 to the area.

8 MR. UNDERWOOD: But -- but if they don't, then  
9 basically they will -- they will give us less money because  
10 we have received X amount of money from the sale of this  
11 property.

12 MR. BASS: The legislature would then have more  
13 resources available to them in the State Highway Fund to  
14 make sure allocation decisions, yes.

15 MR. UNDERWOOD: Well, and -- and they --

16 MR. BASS: And how -- how they would -- how they  
17 would respond. I'll wait until they respond.

18 MR. AUSTIN: I want to follow up on Victor's  
19 comments. You know, one, we have the right to go back. I  
20 know we have our process that's set out right now. What we  
21 do have the ability to do is for -- should that property  
22 owner or their heir or successor or whatever or anybody  
23 else, we have the right to accept an unsolicited offer.

24 MR. TILDEN: Sure.

25 MR. AUSTIN: And then enter into negotiation. And

1 so -- and -- and --

2 MR. HOUGHTON: Well, no. No. Not enter into  
3 negotiation.

4 MR. AUSTIN: Not under negotiation, but they -- if  
5 they bring an offer, they do have the right to just make us  
6 an offer.

7 MR. HOUGHTON: And then goes to -- then it goes to  
8 sealed bids.

9 MR. AUSTIN: Go to sealed bids. That's right.

10 MR. HOUGHTON: That's right.

11 MR. AUSTIN: So they can't -- what I'm leading is  
12 that they can make us an offer for a piece of property.  
13 Then it's up to us to decide do we -- are we -- are we using  
14 it or not and then go from there, but that's fair and make  
15 an offer.

16 MR. TILDEN: That's very -- yes.

17 MR. HOUGHTON: Roland.

18 MR. UNDERWOOD: I got a question for Jeff. Jeff,  
19 when we go into eminent domain, I thought that the new law  
20 is that they basically if -- if we don't use it within a  
21 certain amount of time they have an opportunity to -- you --  
22 to take it back, is that correct, at the price?

23 MR. J. WILLIAMS: After --

24 MR. UNDERWOOD: You can approach now that. And  
25 now I'm asking.

1 MR. J. WILLIAMS: After -- after 2013 there is a  
2 change that eminent domain that -- that is acquired after  
3 2013, there is a specific new route that you have to go  
4 through with respect to who you bought it from. But it's  
5 only for properties purchased after 2013.

6 MR. UNDERWOOD: Right. That's my point, because  
7 one of the questions they were afraid of is that we would  
8 turn back around and be buying and flipping property.

9 MR. J. WILLIAMS: Yeah.

10 MR. UNDERWOOD: This new legislation should stop  
11 that, is that --

12 MR. J. WILLIAMS: Yes.

13 MR. UNDERWOOD: -- correct?

14 MR. J. WILLIAMS: Yes, I guess.

15 MR. UNDERWOOD: And so -- and also -- Don made a  
16 comment about that he would like to -- that the -- the real  
17 estate to be able to go back to the original owner at the  
18 original price.

19 MR. VANDERGRIFF: No. No.

20 MR. UNDERWOOD: He -- I thought Don said that.

21 MR. VANDERGRIFF: Okay. All right.

22 MR. UNDERWOOD: I didn't know why. I did not say  
23 my --

24 MR. VANDERGRIFF: I'm sorry.

25 MR. UNDERWOOD: -- my leader on my right-hand side

1 said that, but --

2 MR. DIXON: I did say that.

3 MR. UNDERWOOD: Yes, sir, but I -- I have --

4 MR. HOUGHTON: That's not the law.

5 MR. UNDERWOOD: -- I have reservations about that.

6 MR. HOUGHTON: That's not the law and we're --

7 MR. UNDERWOOD: Okay. I understand.

8 MR. HOUGHTON: -- we need to follow up on what the  
9 law says.

10 MR. UNDERWOOD: I understand it, but I would still  
11 have reservations about it anyway, because I don't like to  
12 do that and then sell the property to the state and then 30  
13 years later whenever it's -- I hadn't -- had to pay taxes on  
14 it and all of a sudden now I can buy it for the original  
15 price. They've carried the property for me. I think that  
16 would be an issue.

17 MR. J. WILLIAMS: That is not our practice.

18 MR. UNDERWOOD: I think that wouldn't be fair to  
19 the taxpayers.

20 MR. J. WILLIAMS: That is not our -- our practice.

21 MR. UNDERWOOD: Right. No, I understand that. I  
22 just want to make sure that --

23 MR. HOUGHTON: Okay.

24 MR. UNDERWOOD: -- where we're all.

25 MR. HOUGHTON: Thanks, Roland. The next

1 discussion item we have is Item 5(b) which we'll provide an  
2 update on the Texas Alliance Program. Deputy Executive  
3 Director John Barton will present.

4 MR. BARTON: Thank you. For the record, my name  
5 is John Barton. I have the honor of serving state as the  
6 deputy executive director here at the Texas Department of  
7 Transportation. And Director Bass, Chairman, Commissioners,  
8 I appreciate the opportunity to give you a brief updated on  
9 what I believe is a very exciting initiative. We've started  
10 here at the Texas Department of Transportation. I have a  
11 slide presentation to go through with you.

12 Diversity is obviously an important part of our  
13 programs here at the Texas Department of Transportation and  
14 providing opportunities for small businesses and those that  
15 have historically been underutilized, is important to all of  
16 us. In fact, we know that the legislature is intimately  
17 concerned about this. I believe that in the hearings that  
18 were held for the confirmation of three of our esteemed  
19 commissioners you were asked questions about that very issue  
20 by some of the senate members.

21 And so we know that it is important. It's a  
22 priority for this agency. And in an effort to improve our  
23 opportunities to provide professional service contract  
24 opportunities for some of these small and historically  
25 underutilized businesses, we have implemented what we call

1 the Texas Alliance Program. And I'm proud to share with you  
2 just a brief summary of the program today.

3           It was established back in March of this past year  
4 in response to the concern that we needed to do more to  
5 develop a broad area of expertise in identifying  
6 opportunities for small and historically underutilized  
7 businesses to be more successful within our professional  
8 service's space.

9           To help us in this endeavor, we've brought on a  
10 specialist that works in corporate recruiting, businesses to  
11 help entities such as Texas A&M University, the Metro board,  
12 others to identify companies that could help them with their  
13 private outside consultant and contract work.

14           The company that we brought on is a company known  
15 as decision information resources owned by a gentleman named  
16 Russell Jackson out of the Houston area. And an associate  
17 of his who owns a company called A.O. Phillips & Associates.

18           The program that they identified and developed for  
19 us was to give opportunities for those companies that had  
20 been successful in doing work with us in engineering,  
21 surveying and professional services an opportunity to define  
22 what their needs are in subcontracting and partnership  
23 arrangements. And for then those individuals to go out and  
24 find companies that may suit those needs and help bring in a  
25 broader more diverse group of contracting partners for our

1 -- what we call legacy firms to be able to work with as they  
2 look at opportunities to seek out engineering and  
3 professional services contracts with the agency.

4           The legacy firms as we've labeled them are those  
5 companies that have had a long history of success with our  
6 -- our agency who have done great and important work for us  
7 and have been able to do that over time and over volume.  
8 Those companies are shown here on this slide. The names I  
9 think are recognizable to almost all of us in this room.  
10 They have been a critical part of helping us advance  
11 transportation in Texas and have helped us successfully  
12 develop and deliver plans, projects and programs across the  
13 state.

14           MR. HOUGHTON: John, is this a voluntary program?

15           MR. BARTON: It's a completely voluntary program  
16 by all parties.

17           MR. HOUGHTON: Did they step up -- we -- did we  
18 seek them or -- or our consultants seek them? How did we go  
19 about identifying them?

20           MR. BARTON: Identifying these? We looked at our  
21 history of working with these larger more successful  
22 companies and issued an invitation to them. All of them  
23 that are shown on this slide accepted that invitation, but  
24 it's completely voluntary.

25           MR. HOUGHTON: So we sent it out to more than

1 what's on this --

2 MR. BARTON: Yes.

3 MR. HOUGHTON: -- screen.

4 MR. BARTON: Yes, sir.

5 MR. HOUGHTON: And the others chose not to  
6 participate.

7 MR. BARTON: Yes, sir. And well, and it's not  
8 that they haven't chosen to participate. It's that we  
9 wanted to focus on those that were willing to step up and  
10 spend time, energy and effort with our consultant in  
11 identifying companies that they might want to partner with.

12 So these are the large firms. As I mentioned, our  
13 private consultant A.O. Phillips & Associates and decision  
14 information resources met with them, identified what their  
15 profile of needs were. And then started looking across the  
16 market for those smaller companies that may be able to  
17 provide some of those services that they were looking for in  
18 terms of partnerships.

19 The statistics for the program over the past eight  
20 months are shown on this particular slide. I think it's  
21 exciting to realize that they have identified about 66 small  
22 and historically underutilized businesses that are kind of  
23 new to this space, haven't worked with the agency or been  
24 successful in being able to do so either as a prime  
25 contractor or as a sub consultant and introduce those to

1 these 12 legacy firms that I showed on the previous slide.

2           From those introductions, if you will, again all  
3 completely voluntary, the companies decided to team up in  
4 about a hundred and 45 contracting opportunities that we've  
5 put out since that time. It's interesting to note that 74  
6 of those have been successful in seeking contracts and --  
7 and working with the agency now which included new  
8 opportunities for them that they heretofore haven't been  
9 able to successfully achieve. And three of those are prime  
10 contracts where these smaller new businesses actually are  
11 leading the contract rather than just being a sub consultant  
12 participant on the work.

13           The statistics are shown a little bit differently  
14 here, but you can see that it's not only these small  
15 businesses, but it does indicate that there's an opportunity  
16 to -- to look at the past experiences and opportunities as  
17 it relates to those protected groups by ethnicity or  
18 disadvantages of veterans which are -- is now one of our  
19 areas as well.

20           And we've started to see that this effort has  
21 brought real opportunities that have for many reasons been  
22 difficult to achieve in the past. We have been very, very  
23 proud of the work to date. We continue to try to expand the  
24 program. And so as we move forward, we have recently  
25 entered into a new contract with the recruiting vendor if

1 you will to continue this strong program, monitor its  
2 success and help us find ways to continue to grow and offer  
3 more opportunities to more companies.

4           We have larger legacy firms as you will that are  
5 wanting to participate. Many of them already have internal  
6 programs that they do outside of this as well for these  
7 types of activities but are interested in becoming part of  
8 this recognized program. We have issued invitations to any  
9 historically underutilized or disadvantaged business  
10 enterprise company to be a -- a voluntary partner in this as  
11 well.

12           We also are expanding it outside of the  
13 professional services arena in our construction and  
14 maintenance contract area which is where a lot of our dollar  
15 volume work is to be spent. And we think that they'll help  
16 us continue to provide stronger opportunities for new  
17 partnerships that perhaps have not been materialized in the  
18 past to build on -- on those relationships so that there is  
19 a broader opportunity for all companies involved.

20           And that at the end of the day it's a win-win  
21 situation where these new relationships and understanding  
22 bring about success and partnerships that had not been for  
23 this intentional if you will identification of opportunities  
24 perhaps would not have occurred.

25           I think as anything in life when you do these

1 things there are new there are always ways to improve them  
2 and continually seek opportunities to do that. But a true  
3 test of success is not in what the outcomes of the effort  
4 are, but what others perceive it to be.

5           And we're very proud that recently Chairman  
6 Houghton participated in an event where we were given as an  
7 agency the Rosa Parks Diversity Leadership Award by a group  
8 of individuals because of their understanding of our effort  
9 to help expand opportunities for people of all areas of the  
10 state to provide opportunities to work with us.

11           So I just wanted to briefly update you on this  
12 intentional expansion of our partnership program. Very  
13 successful and -- and we're very proud of it and I thought  
14 it was important for the Commission to understand what your  
15 leadership is causing to become a reality. I'll be happy to  
16 answer any questions you may have.

17           MR. UNDERWOOD: John, we've -- we've had these  
18 discussions before -- before this. To -- to me, this seems  
19 to be working better than our -- our program of reaching out  
20 and teaching small businesses how to get a contract with  
21 TxDOT. By having these larger companies work with them, now  
22 they actually have a track record which is one of the things  
23 that they didn't have before which hurt them whenever they  
24 were trying to bid one of our projects. Am I not correct on  
25 this?

1 MR. BARTON: That is correct, Commission  
2 Underwood. And -- and while we still continue those  
3 mentoring programs where we can help people understand how  
4 to do business with us, this is an additional effort to not  
5 only teach them how to do it, but then to -- to introduce  
6 them to other people that are doing successful business with  
7 us so they can develop those partnerships and networking  
8 opportunities that are so valuable.

9 MR. UNDERWOOD: Well, because I just remember some  
10 of them that we've had complaints, you know, to their -- to  
11 their legislators that I can't get a contract, we would go  
12 out and say we're going to have this opportunity, please  
13 come to this meeting, we'll mentor you to show you how to  
14 fill out the forms, how to do everything correctly where you  
15 can get the contract. They didn't show up.

16 MR. BARTON: That's correct.

17 MR. UNDERWOOD: But now we have an opportunity --  
18 a second opportunity where they actually see a business  
19 person that's talking to them saying here's how I do it.  
20 Here's what I'm doing. Please come join me. And then --  
21 and then from what you're telling me is they actually end up  
22 being the prime contractor down the road because they now  
23 have a track record.

24 MR. BARTON: That is often the case and that is a  
25 -- a pure sign of success when they're able to evolve to the

1 point where they're leading the -- the contracts and -- and  
2 successfully winning them.

3 MR. UNDERWOOD: And -- and to me, that's a win-win  
4 for the state. That's -- I like that. So thank you.

5 MR. BARTON: Everyone that's participated has seen  
6 it as a -- a success.

7 MR. UNDERWOOD: Right.

8 MR. BARTON: And it's a -- it's a long journey.  
9 We have a long, long ways to go. And we'll always have  
10 opportunities for improvement. We're very excited about  
11 this new program.

12 MR. VANDERGRIFF: I -- I want to note that I  
13 appreciate the effort that you personally, Mr. Barton, are  
14 making as well as the entire department. You are correct.  
15 When I -- and certainly when I was confirmed as well as the  
16 other two that that was a big point of question. And I said  
17 at the time that I stand on my track record with the North  
18 Texas Tollway Authority as to what we were able to  
19 accomplish there. One of the things that we put in place  
20 there that you're doing now is the very program that you  
21 mentioned. And it did result in a tremendous amount of  
22 business for -- for those in minority and women in business.  
23 And it also resorted in some great opportunities for some of  
24 these very same consultants that are on the list here. And  
25 in addition, future opportunities for the authority as a

1 whole. That'll be the same for TxDOT.

2 And I know we have a lot of work to do overall,  
3 but confident that you can -- you can do it, so --

4 MR. BARTON: Well, thank you --

5 MR. VANDERGRIFF: -- thank you.

6 MR. BARTON: -- Commissioner Vandergriff. And  
7 through this Commission's leadership we are -- again, we're  
8 still got a long ways to go learning a lot from our  
9 contracting partners, but we're excited about the path that  
10 we're on. And not -- I felt like we needed to give you a  
11 brief update on it.

12 MR. MOSELEY: John, thank you for this update and  
13 I appreciate you bringing it to the Commission for just a  
14 formal report. I've -- I've been hearing some good things  
15 about how the agency is being more vigorous and  
16 communication with HUB and woman-owned and minority  
17 businesses. And so this is indeed a good report.

18 I've also heard that the -- some of the -- the  
19 reporting forms that we're using to go back to lawmakers are  
20 easy to read, they're easy to follow and they're -- they're  
21 being pointed out as potentially a model for other state  
22 agencies. So I congratulate you on the team on the style of  
23 reporting.

24 A conversation as recently as -- as last week with  
25 -- with the woman-owned HUB business is that she's been

1 certified by the state. She's been trying to get into the  
2 deal flow of this agency. And there's -- there's an  
3 opportunity I think for us to particularly on the commodity  
4 purchasing category where somebody's trying to help with a  
5 procurement, we know there's any number of bids going out of  
6 this agency. She knows they're going out. She's tried  
7 several ways to get into the deal flow, but can't somehow  
8 get logged on.

9           And so there may be some -- some technical tools  
10 that we can fine tune so that a small business person can  
11 log on. If we have five procurement sites around the state,  
12 do they have to log on five times and submit their email or  
13 -- and -- and there's some confusion there.

14           One tool that might clear that up would be to  
15 invite -- I know we're reaching out to contractors and we've  
16 done a very good job of inviting them as Chair Houghton's  
17 described to -- to come and volunteer and step up. And it  
18 looks like we're getting some wonderful response from our  
19 contracting community.

20           Another group that might be a useful stakeholder  
21 group would be chamber and business organizations that --  
22 that cater to the HUB small business membership. And -- and  
23 I'd be pleased to sit down and visit with you and some of  
24 our team members about how we could maybe do a forum and let  
25 them become commissioned as information agents on our behalf

1 to answer a lot of these questions that are good for their  
2 members but they're good for our agency. But thank you for  
3 this report, very impressive.

4 MR. BARTON: Thank you -- thank you for that  
5 feedback --

6 MR. VANDERGRIFF: One other --

7 MR. BARTON: -- Commissioner Mosley.

8 MR. VANDERGRIFF: -- point I would like to make,  
9 good for the Commission to speak consideration in the  
10 agencies to you.

11 MR. BARTON: I know that at the moment this --  
12 this whole effort certainly -- because you deserve the  
13 leadership credit for it. It also though does not set apart  
14 as a -- an independent office within the department. It is  
15 part of another and it's been kind of shuffled around in  
16 different places. No disrespect intended to anybody that's  
17 doing that job or currently doing that job, but I think that  
18 unless and until the department makes it on priority with  
19 others as a standalone office that it -- it will continue to  
20 be a bit like being at the back of the bus, so I urge us to  
21 look at that as -- as an option and -- and if you do that,  
22 it will move it forward even faster.

23 MR. BARTON: Thank you both Commissioners for  
24 those comments and -- and we'll explore those opportunities  
25 with you further.

1 MR. HOUGHTON: Let me -- let me ask you, John.  
2 I'm going to go back to your -- if you can put it up on the  
3 screen the legacy vendor participation.

4 MR. BARTON: Okay. I'll see if we can get it up.

5 MR. HOUGHTON: If somebody can put that back up on  
6 the screen. The -- the audience, some may -- may not know  
7 about the contracts we put out, the 10 by 10. How many  
8 minority firms that are recipients of the 10 by 10?

9 MR. BARTON: I don't have --

10 MR. HOUGHTON: Current minority firm that -- that  
11 has a 10 by 10 contract.

12 MR. BARTON: I'm -- I'm not -- I would not be able  
13 to answer that question completely accurately, Chairman  
14 Houghton. I don't recall that any of the 10 by 10 contracts  
15 were issued to a team that was led by a minority contractor,  
16 but I could be mistaken.

17 MR. HOUGHTON: And -- and how many minority  
18 contractors act as our GEC? Do we know that?

19 MR. BARTON: I do not know the answer to that  
20 question either. We can certainly find it, but it -- it  
21 would be a small number, if any.

22 MR. HOUGHTON: That would be interesting to know.

23 MR. BARTON: I would like to point out, these  
24 legacy firms and again, these firms are ones that have been  
25 very successful with us and have done a great deal of work

1 with us, one of them in particular I'll note is Rodriguez  
2 Transportation Group. They're owned by a -- a brilliant  
3 young man. And it is a HUB DB company.

4 I'm -- I'm not sure if they still retain that  
5 status because they've been so successful, but they do great  
6 work and as all these companies do, but it's an -- an  
7 indication of how once Mr. Rodriguez and his team were able  
8 to start doing business with us, they were able to replicate  
9 that success time and time again. So much so that we  
10 invited them to be one that led others to that same I guess  
11 promised land if you will of how to be successful.

12 MR. HOUGHTON: Okay.

13 MR. BASS: And John will also lead the discussion  
14 for our next item which we'll provide an update on the  
15 Municipal Highways Turnback Program.

16 MR. BARTON: Thank you, Mr. Bass. Again, for the  
17 record, my name is John Barton. And a brief update on our  
18 cooperative effort with the Texas Municipal League and the  
19 Texas Association of Metropolitan Planning Organizations to  
20 develop an understanding of how to move forward with this  
21 initiative that's very important to our state.

22 And the Texas Highway Turnback Program as I will  
23 call it is something that came about through conversations  
24 with the Commission over the last summer about how to  
25 maximize the effectiveness and efficiency and use of our

1 limited resources across the state.

2           And so just to remind us all, as we looked at how  
3 we utilized our resources and the work that we do as an  
4 agency, one of the areas that we focused on a bit for an  
5 opportunity to create partnerships and efficiencies, we're  
6 on what we call our urban highways. Those roadways that are  
7 inside our larger urban areas that perhaps look more like  
8 city streets than highways and is there an opportunity  
9 through these partnerships to transfer the ownership and  
10 responsibility of those back to the communities for benefit  
11 to them and relieve the state of their responsibility of  
12 maintaining those assets as we go into the future.

13           We looked at that particular opportunity in our 59  
14 largest communities, those that have populations over  
15 50,000, and we identified about 6900 lane miles of non-  
16 freeway roadways that aren't an integral part of the total  
17 highway system, again, serve more of a local street purpose.  
18 And we estimated that if we were to able to -- able into  
19 partnerships with all those communities for all these  
20 roadways, over time it would save the department about a  
21 hundred and sixty-five million dollars annually in  
22 maintenance and rehabilitation cost.

23           And so that's where we started the conversation.  
24 The reason that we looked at it is again because as our  
25 highway system matured over time, it evolved. It once was

1 that these city streets like Lamar Street here in Austin are  
2 like Westheimer in the Houston area.

3           We're -- the way that people got into those urban  
4 cores, they were the streets that people that lived outside  
5 of those communities or in other communities came into those  
6 city centers. But as those communities grew over time and  
7 as the network evolved, they now serve more of a local  
8 roadway purpose and people travel through and to Austin on  
9 I-35 or on Mopac rather than on Lamar Boulevard as the local  
10 example.

11           So the -- we looked at those systems and we said,  
12 you know, if we -- we're able to find these partnerships,  
13 there is some benefit to the state as a whole in that we as  
14 the state's agency responsible for statewide transportation  
15 could focus more on our primary goals of maintaining a safe  
16 system statewide of connecting our communities across the  
17 state to be competitive in a 21st century economy and to let  
18 these local roads be managed by those local jurisdictions  
19 where the control of access and the use of the right-of-way  
20 would be more locally focused, decisions would be made --  
21 made at the level and would allow that synergy if you will  
22 of opportunity to let us continue to advance our goals and  
23 let local communities have the advantages of local control.

24           And some of those local control opportunities are  
25 shown on this slide. There is again opportunity for them to

1 have decision making authority over access, perhaps  
2 potential use of these rights-of-way, development  
3 opportunities, the development of city ordinances around  
4 green space and landscaping and to control those things that  
5 sometimes are a nuisance when we have to control them at the  
6 statewide point of view and -- and level on speed limits and  
7 driveway locations and those sorts of things.

8 I would like to point out that today we've had a  
9 lot of interest in this. We started these conversations in  
10 July and August of last year. The city of Lubbock has  
11 presented a -- proposal to us for all of the roadways that  
12 we had identified in their community and we responded back  
13 favorably saying we're interested in it and we're in the  
14 process of working through the details of that with the city  
15 of Lubbock. And we expect that -- the counsel there will  
16 vote on this in the upcoming days.

17 The city of San Antonio as we've previously  
18 mentioned, it included this as part of their discussions and  
19 -- and partnership with us as we looked at the larger  
20 mobility needs in San Antonio just a few months ago.

21 The Metroplex, many communities across the  
22 Metroplex have identified opportunities and are working with  
23 our staff there to explore them further. And -- and even  
24 today, I want to make sure you understand this, this isn't  
25 something new, this concept this idea wasn't perhaps

1 packaged this way, but even today on your commission agenda,  
2 there are two Municipal Highway Turnback activities. One is  
3 in the city of Wylie where they said look, we've got this  
4 road that's a part of the state highway system. We want it  
5 to be part of our city system. Would you please give us  
6 back that roadway in the city of Wylie.

7           And then in Coryell County for access to Fort  
8 Hood, you know, an internationally important military base  
9 for us, the county's come forward and said this is the  
10 entrance into Fort Hood. It's really not a state farm and  
11 market road. Would you please give it back to us so we can  
12 control it and operate it for the benefit of our community  
13 and for Fort Hood. And so it's not something new.

14           Based on our presentations and past Commission  
15 meetings, the Texas Municipal League approached us and said  
16 we would like to enter into a conversation with you about  
17 this program. We think that there's a great opportunity to  
18 have more thoughtful consideration about how it all works.  
19 We would like to engage you in a conversation about  
20 developing an understanding between our members communities  
21 and your Department of Transportation and those metropolitan  
22 planning organizations that we all work with to have a  
23 consistent review process of how this should all work and  
24 then to document that so that as you go around the state  
25 talking to your partners and the variety of communities,

1 there will be a consistent discussion. And something that's  
2 written down that kind of frames the conversation as you  
3 move forward.

4           So we've been working with the Texas Municipal  
5 League and the Texas Association of Metropolitan Planning  
6 Organizations to develop an MOU that we can enter into.  
7 These are some of the main points of that memorandum of  
8 understanding. It's certainly predicated on the belief that  
9 it's voluntary and cooperative, that this isn't being forced  
10 or thrust upon anyone without their due consideration and  
11 willing acceptance, that we make sure that as we do it, we  
12 do it in a lo -- logical way so that it's not just cities of  
13 over 50,000, but if there are small and large cities that  
14 are co-joined, adjacent to one another inside these larger  
15 metropolitan planning boundaries that all of them can  
16 participate in the program. Heavens knows we wouldn't want  
17 to have a hodgepodge of controls over a roadway that for the  
18 public's point of view is just a road from maybe Arlington  
19 over to a neighboring community as an example.

20           In that, as we go through this if cities look at  
21 it and say it's just not a good thing for us to think about  
22 right now, that there's no punishment from the agency.  
23 There's no penalty for not volunteering to participate in  
24 the program you -- if you will and that the benefit enters  
25 back to the community if they choose to participate.

1           So finally just a -- a few wrap up comments and I  
2 know that the chairman of the Texas Municipal League is here  
3 today, Mr. Jungas Jordan, a -- a dear friend of ours and --  
4 and a great partner. I believe he has some comments he  
5 would like to share about this whole initiative, but we  
6 believe that we work through this program we can commit to  
7 the communities that are willing to partner with us that as  
8 we save these dollars through this transfer of  
9 responsibilities from the state to the city on those  
10 roadways that we'll be able to put that money back to use in  
11 those communities for eligible activities so that they still  
12 see the benefit of those savings.

13           We think there's about a hundred million dollar  
14 limit that we would like to encourage as the initial phase  
15 of this program so we can kind of get a feel for how it  
16 works and -- and how it's going to benefit the state as a  
17 whole and that again, the commitment is that when we're not  
18 spending those maintenance dollars on those assets in the  
19 future, we'll reinvest those savings back into safety,  
20 mobility, maintenance activities within that same community  
21 and -- and as we move forward.

22           So I just wanted to quickly update you on this  
23 program and -- and let you know that cities like Lubbock,  
24 San Antonio, variety through the Metroplex are working with  
25 us and the Texas Municipal League and the Texas Association

1 of Metropolitan Planning Organizations have been value added  
2 partners with us. I believe also I saw Ashby Johnson here  
3 from the Texas Association of Metropolitan planning  
4 Organizations. He may have a few comments he would like to  
5 share as well.

6 But those are the comments that I have for the  
7 Commission. I'd be happy to answer your questions, but I do  
8 believe that Chairman --

9 MR. VANDERGRIFF: Yeah.

10 MR. BARTON: -- Jordan --

11 MR. VANDERGRIFF: Chairman -- Chairman, can I ask  
12 one quick question? Just --

13 MR. HOUGHTON: Sure.

14 MR. VANDERGRIFF: The hundred million dollar  
15 limit, how much of that have we committed at this point or  
16 even spent at --

17 MR. HOUGHTON: I think Lubbock got it all.

18 MR. BARTON: Lubbock? No. We -- we haven't  
19 officially documented a commitment of any yet. We haven't  
20 actually entered into --

21 MR. VANDERGRIFF: Okay.

22 MR. BARTON: -- a partnership with, but those few  
23 that I mentioned are the first -- the city of Lubbock as an  
24 example, Commission Vandergriff I think is going to be  
25 something in the neighborhood of \$6,000,000 if they do the

1 whole deal.

2 MR. VANDERGRIFF: Okay. So it can go quick is  
3 what you're saying.

4 MR. BARTON: It could go quickly. Yes, sir.

5 MR. VANDERGRIFF: Okay. So that hundred million  
6 is not per project. That's cumulative of going out. So  
7 first come, first served.

8 MR. HOUGHTON: First come, first served.

9 MR. BARTON: Yes, sir.

10 MR. VANDERGRIFF: I have a feeling if it was a  
11 hundred million per project --

12 MR. BARTON: Yeah.

13 MR. VANDERGRIFF: -- we would have had a lot out  
14 the door.

15 MR. BARTON: We would have a whole lot more  
16 volunteers.

17 (Laughter.)

18 MR. BARTON: Yeah, that's a good way to encourage  
19 volunteerism --

20 MR. HOUGHTON: Yes.

21 MR. BASS: -- is to say, you know, it's a hundred  
22 million dollars per roadway project.

23 MR. HOUGHTON: And as John noted, Jungas Jordan --  
24 council member Jungas Jordan from Forth Worth is the only --  
25 and head of the Texas -- president?

1 MR. JORDAN: President.

2 MR. HOUGHTON: President of the Texas Municipal  
3 League. Jungas, welcome.

4 MR. JORDAN: Chairman Houghton, Commissioners,  
5 James Bass, thank you. I am Jungas Jordan. I am the  
6 president of the Texas Municipal League, Texas Municipal  
7 League that represents 1137 cities in this great state. And  
8 we would like to think that we are the greatest cities in  
9 the greatest state in the greatest nation on God's Earth and  
10 has -- has been talked about this morning. Texas is  
11 growing. Texas has it right. We're bringing jobs here. We  
12 have a great vision for the future.

13 I'd like to think that Texas has two -- two basic  
14 traits. All Texans have those two traits. One is we're  
15 fiercely independent and we're going to face our challenges  
16 head-on and we're going to try to solve them on our own.  
17 But the second trait is we collaborate. We work together in  
18 the prairie spirit to find solutions.

19 And I -- I take note of your mission statement for  
20 TxDOT which is to work with others to provide safe and  
21 reliable transportation solutions for Texas. I think this  
22 is a prime example of cities and our mobility planning  
23 organizations working together to find a solution, to find  
24 economies for the citizens of Texas.

25 And we -- we are very appreciative of the

1 Commission's leadership, the partnership of John Barton's  
2 leadership. And I am here to say thank you for allowing us  
3 to pursue this memorandum of understanding. It is a  
4 memorandum of understanding between TxDOT, the Texas  
5 Municipal League and the Association of Metropolitan  
6 Planning Organizations. And the -- there's a philosopher  
7 that once said the greatest prayer you can give is to say  
8 thank you. And I am here to say thank you to TxDOT in  
9 guiding this great state that we have many years of  
10 prosperity and success in front of us and we look forward to  
11 partnering this legislative session to find other dollars,  
12 to build more mobility in our great state. So thank you  
13 very much.

14 MR. HOUGHTON: Jungas, thank you very much. Do  
15 you have any questions of Jungas?

16 MR. UNDERWOOD: Jungas, are -- are you all voting  
17 today, is that correct?

18 MR. JORDAN: We -- we will vote tomorrow. Our  
19 board of directors meets tomorrow -- tomorrow and we will  
20 vote to move forward and sign this tri-party --

21 MR. UNDERWOOD: Okay.

22 MR. JORDAN: -- agreement. We look forward to it.

23 MR. UNDERWOOD: Because it hasn't been -- you all  
24 --I -- I thought you all hadn't voted yet, so I thought it  
25 was --

1 MR. JORDAN: We have not. We have a great --

2 MR. UNDERWOOD: -- I thought it was today, but  
3 it's tomorrow.

4 MR. JORDAN: It's tomorrow morning.

5 MR. UNDERWOOD: Okay.

6 MR. JORDAN: And it's a -- we have a great deal of  
7 support on this.

8 MR. UNDERWOOD: Okay.

9 MR. JORDAN: We have briefed the board previously  
10 and we think we're ready to move forward.

11 MR. UNDERWOOD: Well, I want to thank you for your  
12 leadership in this, so --

13 MR. JORDAN: Thank you.

14 MR. UNDERWOOD: -- thank you, sir.

15 MR. JORDAN: Thank you.

16 MR. VANDERGRIFF: Yeah, I --

17 MR. HOUGHTON: Thank you.

18 MR. VANDERGRIFF: -- and I --

19 MR. HOUGHTON: Thank you very much.

20 MR. VANDERGRIFF: I got to echo that. In a -- in  
21 a sea of -- of concern I would call it with the -- the  
22 communities had out there including my concern frankly at  
23 that point in terms of how it was rolled out, there was  
24 never an issue with the intent of the program or the -- the  
25 rationale behind it or what could happen. And I appreciate

1 the fact that one of the first people up that -- that saw  
2 that and understood that was Jungas Jordan and -- and when  
3 he took over the role of the Texas Municipal League, the  
4 tone of the conversation changed dramatically. So, you  
5 know, you -- you reasoned together with the department and  
6 thank you for that very much.

7 MR. JORDAN: Thank you. Thank you. We are  
8 partners.

9 MR. HOUGHTON: Thank you, Jungas.

10 MR. JORDAN: We'll move forward.

11 MR. HOUGHTON: Thank you.

12 MR. BARTON: And we can make it -- we can get  
13 Ashby to fill that card, but this is Ashby Jordan [sic] with  
14 the Texas Municipal League.

15 MR. HOUGHTON: Ashby.

16 MR. BARTON: Or excuse me, Ashby Johnson.

17 MR. HOUGHTON: Welcome, Ashby.

18 MR. JOHNSON: Good morning, Mr. Chairman, and  
19 members of the Commission, Mr. -- Mr. Bass. For the record,  
20 my name is Ashby Johnson. I'm the executive director of the  
21 Texas Associations of MPOs. I'm also the assistant director  
22 for the Houston MPO.

23 We brought the MOU before our membership last  
24 Thursday in our meeting and I was authorized to sign the MOU  
25 on behalf of TEMPO. However, I do not have the authority to

1 speak on behalf of -- of the policy boards of all 25 MPOs  
2 across the state. So once TML has approved and signed off  
3 and it moves forward, we're going to send the document back  
4 out to all 25 MPOs for their policy board's review and  
5 hopefully concurrence. And then we can bring it back to you  
6 or at that time.

7 MR. HOUGHTON: Great, that's wonderful. Thank you  
8 for your leadership.

9 MR. JOHNSON: Thank you. Commissioner Moseley,  
10 has Houston thought about taking back Westheimer? I don't  
11 want to put any pressure on it, but --

12 MR. MOSELEY: I've been quiet on the topic,  
13 Chairman.

14 MR. HOUGHTON: No pressure. John, thank you.

15 MR. BARTON: Thank you. Appreciate the  
16 opportunity to brief you on this. And as we work forward  
17 with this, I believe that once we get the responses back  
18 from Texas Municipal League and from the Texas Association  
19 of Metropolitan Planning Organizations, our executive  
20 director will be ready to execute the MOU on our behalf.

21 MR. BASS: Next we have our last discussion item  
22 this morning, Item 6, which is a discussion on the upcoming  
23 Legislative Appropriations Request. It'll be presented by  
24 Director of Finance Brian Ragland.

25 MR. RAGLAND: Thank you, James. Good morning,

1 Commissioners. For the record, I'm Brian Ragland, director  
2 of the finance -- the finance division, sorry. It's hard to  
3 believe, but we're back here before you today talking about  
4 the next legislative session and our 2016/2017 legislative  
5 appropriations request. This is a document where we  
6 basically ask the legislature for funding for the -- for the  
7 biennium period.

8           Obviously, James is very family with this -- this  
9 subject. This -- this item is usually his baby, so please  
10 chime in and correct me as -- as necessary.

11           We're just beginning the process here today. We  
12 anticipate coming before you in several subsequent meetings  
13 to -- to refine and -- and get your input on how the LAR  
14 should look. We expect it to be due at the end of August as  
15 it -- as it always is of each even numbered year preceding  
16 the legislative session. We plan to have a draft LAR at  
17 your July meeting. That's actually required by statute.

18           And I'll make a mention of a challenge that --  
19 that is always the case with the LAR and that we are trying  
20 to anticipate our needs and our priorities up to three or  
21 three and a half years in advance of when we will actually  
22 spend the money. And so some of the subsequent slides will  
23 -- will speak to our ability to -- to gain flexibility and  
24 mitigate that -- that challenge to some degree. Clicker,  
25 sorry.

1           So this first slide is -- is just a -- a broad  
2 overview of where our money goes. As you can see, our  
3 current biennium budget is about 21,000,000,000.  
4 Approximately three-quarters of that, the -- the big slices  
5 of the pie on the right and bottom of the pie are -- have  
6 nothing to do with delivering new projects or new -- new  
7 capacity. Those are projects that began prior to this  
8 current biennium that we're still paying out. Those are  
9 maintenance dollars and those are dollars that used to pay  
10 back our -- our debt, so -- so when you look at -- at this  
11 --

12           MR. HOUGHTON: Brian, I know your quick math. The  
13 total expenditures when you -- and you index it to the  
14 population growth, you'll -- you'll look at new projects as  
15 1.18. But that doesn't mean that's new mobility. That's --  
16 that's a new asset. That is -- that could be expand -- that  
17 could be a rehab of -- and maybe adding some managed lanes,  
18 correct?

19           MR. RAGLAND: Correct.

20           MR. HOUGHTON: And then you look at the big blue  
21 is our budget is consumed by maintaining the existing and  
22 replacing the system.

23           MR. RAGLAND: Yeah, I believe the big blue slice  
24 includes some rehab in that. It's -- it's labeled replacing  
25 the existing system.

1 MR. HOUGHTON: That's my -- well, that's -- that's  
2 --  
3 MR. RAGLAND: So the smaller --  
4 MR. HOUGHTON: That's maintaining.  
5 MR. RAGLAND: -- the -- the smaller opposite --  
6 MR. HOUGHTON: Yeah.  
7 MR. RAGLAND: -- slice is actually new -- new  
8 capacity, new --  
9 MR. HOUGHTON: Right.  
10 MR. RAGLAND: -- new projects.  
11 MR. HOUGHTON: So you would say that's new  
12 capacity.  
13 MR. RAGLAND: Uh-huh (affirmative).  
14 MR. HOUGHTON: Okay. Like managed lanes down the  
15 middle of a -- of a roadway or --  
16 MR. RAGLAND: Yes.  
17 MR. HOUGHTON: -- a green field project.  
18 MR. RAGLAND: Yes.  
19 MR. HOUGHTON: Adding -- adding new -- new lanes.  
20 MR. UNDERWOOD: Two for twos.  
21 MR. HOUGHTON: Two for twos, whatever they may be.  
22 MR. RAGLAND: Yes. Anymore questions on that  
23 where the money goes slide? The next slide is a  
24 visualization of our budget structure. We -- the way the  
25 legislature allocates money is in the terms of what they

1 call strategies. We -- TxDOT has about 35 strategies. Each  
2 strategy has a unique definition, a unique purpose and has  
3 its own limitations. This budget structure we think serves  
4 us well especially in the fact that it separates out what is  
5 existing -- existing construction and maintenance versus new  
6 construction and maintenance.

7           It's important that to mention that while we talk  
8 a lot around here and our stakeholders talk a lot about  
9 letting and -- and bidding and new contracts for projects,  
10 the state's budget structure and our budget is based on when  
11 the money is spent. And so that's a reason that the  
12 delineation is made between new projects and existing  
13 projects.

14           The colors on this particular slide do have some  
15 meaning in subsequent slides. They indicate some of the  
16 limitations we have between and within different strategies.  
17 And I'll move onto that next if you all don't have any  
18 questions on that particular slide.

19           This slide depicts our ability to transfer money  
20 around between strategies. And basically there's there  
21 buckets of strategies that we refer to. The top bucket are  
22 our operating strategies. Internally, we refer to those as  
23 outside the box. They're -- they're kind of the most  
24 flexible dollars, although they're the -- the lower dollar  
25 amounts. Those are our -- our internal salaries, our

1 internal -- internal work that's going on. And we're  
2 basically allowed to transfer money among those strategies  
3 as well as out -- outside those into the project related  
4 strategies.

5           The project related strategies on the bottom left  
6 are where the big dollars are. Those are your construction  
7 dollars, your -- your contracted maintenance dollars, your  
8 right-of-way, your professional engineering. And -- and  
9 that is the most restricted set of strategies. We cannot  
10 move money among those. We cannot move money out of those  
11 without asking permission from the LBB. And luckily in the  
12 current appropriations bill the transfer authority gives  
13 them a 15 day window to make that decision. For the -- for  
14 -- I will mention also for the ones where we can transfer  
15 money around, there's a 20 percent limitation on the  
16 beginning appropriation amount for those.

17           The indirect administration box are things like  
18 HR, finance, IT, purchasing, those kind of back office type  
19 activities. Those again we can transfer many out of those  
20 but not into those without LBB approval.

21           The next slide is just a -- a little bit more  
22 detail on all of the individual strategies that fit into  
23 those three buckets, if you will, and some text that  
24 explains what I just did about being able to transfer the  
25 money around.

1           This second pie chart is where the money comes  
2 from in effect. The upper left, it shows some one time  
3 funding sources that are being -- currently being spent out.  
4 As these are depleted, the legislature continues to look for  
5 ways to -- to sustain and increase our funding.

6           I will mention that uncertainty continues with our  
7 largest slice of the pie there, our federal reimbursements  
8 for FHWA. As MAP-21 ends on October 1st and the Highway --  
9 the Federal Highway Trust Fund is -- is projected to  
10 deplete, there is an indication that they may not be able to  
11 reimburse the states for -- for their expenditures at a  
12 certain point in time during this -- this fiscal year.  
13 Obviously, that slide also adds up to \$21,000,000,000.

14           I wanted to highlight the -- the senate joint  
15 resolution one and the upcoming proposition election.  
16 Currently, it's estimated to be about 1.4 billion dollars  
17 that will be deposited into the -- the state highway fund.  
18 There is an additional step involved in that the legislature  
19 through a request to the LBB has to actually appropriate  
20 those funds to TxDOT before we have the ability to commit  
21 them. So I wanted to highlight that. Obviously, the -- the  
22 deposit itself is contingent upon the proposition pass --  
23 passing on the November 14th -- November 4th, I'm sorry,  
24 election.

25           And then the -- the last slide here speaks to some

1 uncertainties that we have, referring to the previous slide  
2 that is still an uncertainty. And the timing of that vote  
3 will occur after we submit the LAR in August. So we'll have  
4 to figure out how to -- how to handle asking for that money.  
5 It will likely be an exceptional item in the LAR because it  
6 will have not -- will not have occurred yet. Federal  
7 funding again is an -- is an uncertainty.

8           And then this slide also throws out a couple of  
9 possibilities for some exceptional items and we'll continue  
10 to discuss your wishes for exceptional items above our  
11 baseline funding. This mentions the -- the State Highway  
12 130 truck discount and the possibility of getting some  
13 general revenue to -- to reinstate that -- that program. I  
14 believe some legislators are -- are interested in that.

15           And then our other modes of transportation like  
16 rail, transit, aviation and maritime, those all rely on non-  
17 dedicated state highway fund which is limited and fully  
18 subscribed. So often we will ask for an exceptional item  
19 that addresses some of those other modes outside of  
20 traditional highways.

21           A little bit of show and tell, this is what our  
22 LAR looks like. I think it's -- I think it's as big or  
23 bigger than the UTP, I'm not sure. And the font is very  
24 small. The point being, it's a very collaborative and  
25 involved process and that's why we're starting this early

1 with -- with your input. There are efforts starting in the  
2 department from the bottom up where we build -- build out  
3 our needs, but at the same time we need the Commission's and  
4 the administration's input as to priorities and how to --  
5 how to essentially slot the discretionary dollars.

6 So I anticipate being back before you in a couple  
7 of months on the same -- same --

8 MR. HOUGHTON: To be continued --

9 MR. RAGLAND: -- discussion.

10 MR. HOUGHTON: -- right?

11 MR. RAGLAND: That's all I have.

12 MR. HOUGHTON: Anything?

13 MR. AUSTIN: Brian, a couple comments. One is you  
14 talked about the -- the Highway Trust Fund. And if you come  
15 back in there, yes, there are -- there's a possibility of --  
16 of having just got back from D.C., I'm hearing mixed  
17 messages. One thing that came to light, many states do not  
18 have the ability -- hypothetically, you know, should it cut  
19 off. And we receive -- you know, we go past through it,  
20 they're going to start slowing down payments and we stopped  
21 receiving money or a greatly reduced amount of money.

22 We have the ability like other -- a lot of states  
23 do not to tap into short term lines of credit or whatever we  
24 have. While we don't want to borrow, we could to sustain  
25 operations or tapping into for what, approximately three

1 months?

2 MR. RAGLAND: Correct.

3 MR. AUSTIN: But that -- if we did that, that  
4 would also take away our ability to, you know, as -- as  
5 Commissioner Moseley talked about, us stepping in and  
6 working on our ferry operations or we have over runs in  
7 maintenance to keep roads moving and if -- should there be a  
8 winter storm next -- next fall or floods, repairing bridges,  
9 that could potentially take away from that ability to do the  
10 -- do those type of things.

11 MR. RAGLAND: And depending on how long it lasted  
12 you would certainly need to start talking about curtailing  
13 other activities, you know, as the uncertainty increased as  
14 to whether our -- our receivable in effect that we're  
15 booking from the feds is going to be liquidated.

16 MR. AUSTIN: Well, and I -- and I just want to say  
17 one is thank you to the legislature for giving us those  
18 tools to sustain for a short period of time should we need  
19 to. And I know you all are doing a lot of work in doing --  
20 helping prepare in case of that. The second comment is when  
21 you look at --

22 MR. RAGLAND: We have recent experience with that.

23 MR. AUSTIN: Yeah. As we look at other items to  
24 consider, I kind of want to go back to something Roland  
25 mentioned previously. That's really a long term item as we

1 again look at space requirements but also continuing the IT  
2 needs of this agency to continue the modernization. We do  
3 not want to go backwards and as we look at our records that  
4 we have, how can we protect them, digitize them and make  
5 them available to more people, one within the agency, et  
6 cetera. Let's don't lose sight of that and what those needs  
7 are as we go forward.

8 MR. MOSELEY: And Chairman, I think a year ago the  
9 -- the question came up about whether there would be an  
10 ability for us to somehow describe a set aside for projects  
11 that would be identified through the Governor's Office of  
12 Economic Development as priorities for the state. There  
13 could be an occasion where, you know, a large economic  
14 development opportunity comes in and there needs to be some  
15 ingress, egress.

16 And I -- I just would ask if there's some way to  
17 identify a pot of money for economic development purposes  
18 that we -- we at least talk about it and see. I know it's  
19 -- it's not an easy discussion, but maybe if it's a project  
20 that's identified by the Governor's Office of Economic  
21 Development it would -- it would somehow then merit some  
22 consideration by us for a -- for a use of these funds.

23 MR. HOUGHTON: Any other questions?

24 MR. RAGLAND: Thank you.

25 MR. HOUGHTON: Sir, should we hold you directly

1 responsible, Commissioner Austin, if we don't -- if they run  
2 out of money since you're our guy in D.C.?

3 MR. RAGLAND: D.C.

4 MR. AUSTIN: Hey, Coby left us. Where is Coby?  
5 Yeah.

6 MR. MOSELEY: Where's Coby when you need him.

7 MR. HOUGHTON: Thanks, Brian.

8 MR. BASS: Thanks, Brian. Next, we have Agenda  
9 Item 7, the awarding of federal and state grant funding for  
10 airport improvement projects. This item will be presented  
11 Aviation Division Director Dave Fulton.

12 MR. FULTON: Thank you, James, Commissioners. For  
13 the record, my name is Dave Fulton. I'm the director of  
14 TxDOT Aviation Division. This minute order contains a  
15 request for grant funding approval for eight airport  
16 improvement projects. The total estimated cost of all  
17 requests that's shown in Exhibit A is approximately 13.4  
18 million dollars, 8.5 in federal funding, 3.5 in state  
19 funding and 1.5 million -- 4 million in local funding.

20 A public hearing was held on February 21st. No  
21 comments were received. We would recommend approval of this  
22 minute order.

23 MR. HOUGHTON: Questions?

24 MR. UNDERWOOD: A quick one, Dave. Have -- have  
25 we had any contact with Brownwood? I noticed whether city

1 council had voted to -- to start doing some improvements on  
2 the airport and use it and have more of a business use out  
3 of it. Have we had any contacts with TxDOT yet?

4 MR. FULTON: I -- I can't answer that right now.  
5 I will -- could I get back to you on that?

6 MR. UNDERWOOD: If you would, if you will check on  
7 that.

8 MR. FULTON: I'll have them look through our 300  
9 projects that we have --

10 MR. UNDERWOOD: Right.

11 MR. FULTON: -- on -- ongoing.

12 MR. UNDERWOOD: And I just noticed that they --  
13 saw where they had a vote in their city council whether --  
14 starting to -- to look -- take a hard look at their airport  
15 --

16 MR. FULTON: I'm glad to hear that.

17 MR. UNDERWOOD: -- and how they can use it and so  
18 --

19 MR. FULTON: And --

20 MR. UNDERWOOD: -- and -- and that part of that  
21 article was that they were going to go to TxDOT. So just  
22 give me a heads up if nothing else.

23 MR. FULTON: Thank you. I'll -- I'll get back to  
24 you today, Commission.

25 MR. UNDERWOOD: All right. That will be

1 Brownwood. Thank you.

2 MR. HOUGHTON: Is there a motion?

3 MR. AUSTIN: So moved.

4 MR. UNDERWOOD: Second.

5 MR. HOUGHTON: All in favor?

6 (Chorus of ayes.)

7 MR. HOUGHTON: Thanks, Dave.

8 MR. FULTON: Thank you.

9 MR. BASS: The next four items all deal with  
10 public transportation and will be presented by Eric Gleason,  
11 our Director of Public Transportation.

12 MR. GLEASON: Good morning, James and  
13 Commissioners. For the record, my name is Eric Gleason,  
14 TxDOT Director of Public Transportation. Agenda Item 8(a)  
15 awards approximately 20.1 million dollars of FTA Section  
16 5311 non-urbanized area form -- program formula funding to  
17 the 38 rural transit districts in Texas identified in  
18 Exhibit A. And these funds may be used for both operating  
19 and capital purposes.

20 Individual rural transit district amounts are  
21 calculated based on need and performance. Need is defined  
22 in the Texas administrative code as a combination of  
23 population and land area and accounts for 65 percent of the  
24 total award.

25 Performance also defined in the Texas

1 Administrative Code is calculated using three measures  
2 addressing efficiency, effectiveness and a level of local  
3 contribution and accounts for 35 percent of the award  
4 amount.

5 Rural transit districts use these funds to provide  
6 general purpose public transportation services in 246 of  
7 Texas's 254 counties. In 2013, rural transit districts in  
8 Texas carried over 7.2 million lighters and provided over 33  
9 million revenue miles of service. Rural transit providers  
10 operate and maintain a critical network of mobility services  
11 connecting rural communities and helping to address  
12 congestion issues in rapidly growing areas of the state.  
13 They provide access to jobs, job training, education,  
14 healthcare, shopping and other destinations for Texans who  
15 by choice or circumstance rely on public transportation for  
16 their mobility needs. The staff recommends your approval of  
17 this minute order.

18 MR. HOUGHTON: Motion?

19 MR. AUSTIN: So moved.

20 MR. UNDERWOOD: Second.

21 MR. HOUGHTON: All in favor?

22 (Chorus of ayes.)

23 MR. HOUGHTON: Continue.

24 MR. GLEASON: Agenda Item 8(b) awards

25 approximately 9.9 million dollars of FTA Section 5339, bus

1 and bus facility program funds to rural transit districts in  
2 urbanized areas between 50,000 and 200,000 in population in  
3 Texas included in Exhibit A. Funds are for capital program  
4 purposes only. Awards reflect two years of federal program  
5 funding. This program funds are intended to assist transit  
6 programs in these areas of the state with maintenance of  
7 transit assets, fleet facilities and equipment.

8           This is a formula award governed by the Texas  
9 Administrative Code. Allocations among recipients are  
10 calculated based on the relative condition of each agency's  
11 fleet, but may be used for any eligible capital program  
12 purpose.

13           This minute order also authorizes up to 2,000,000  
14 transportation development credits for use in lieu of local  
15 match. Use of TDCs for this purpose is consistent with TAC  
16 requirements and allows for scarce, non-federal resources to  
17 be used as match for operating program purposes.

18           An ongoing investment in fleet and facility  
19 maintenance and replacement program helps ensure safe and  
20 reliable public transportation programs in these areas of  
21 the state. Increasing federal investment in this program is  
22 identified as a priority in the Department's federal  
23 priorities for 2014. The staff recommends your approval of  
24 this minute order.

25           MR. HOUGHTON: We have a speaker, John McBeth,

1 Association for Community Transit in Texas. John.

2 MR. McBETH: Thank you, Mr. Chairman. My name is  
3 John McBeth for the record and I'm the president of the  
4 Community Transportation Association in Texas. We are here  
5 to speak in favor of this. It will affect all of the rural  
6 and all of the small urban systems in Texas. You are to be  
7 congratulated for your vision in the way you have directed  
8 Mr. Gleason to expend these funds.

9 These funds will be utilized like Eric said to --  
10 to upgrade and maintain just our state of good repair for  
11 all of the rural and small urban systems that serve 246  
12 counties in this state. So you're getting a lot of bang for  
13 -- for your buck on this particular thing.

14 One thing that occurred to me when I found out  
15 about the money is that I'll ask my team to bring me the  
16 projects. And when they brought me the projects a week  
17 later, I was looking at them and I went well, there's  
18 nothing new in here. This is all -- we're fixing all the  
19 stuff that we have. What about new stuff. And they're like  
20 well, we don't -- there's not -- you know, we need this  
21 money for everything just to maintain what we have. And I  
22 -- I just looked at them and it just occurred to me and I  
23 said you know, I find myself in the same unenviable  
24 situation that the TxDOT Commission finds themselves in.  
25 Anytime they find new money, they have to spend it to

1 maintain what they've already built.

2           And -- and talking with my colleagues across the  
3 state, one of the things that we're going to be working with  
4 the -- without elected officials in the upcoming session is  
5 to explain the fact that just like TxDOT, the transit  
6 systems in this state are really, really in need of  
7 something that will allow some kind of funding that will  
8 allow us to build our capacity because we find ourselves in  
9 the same situation as do you.

10           We have demands on our capacity, but we just -- we  
11 just can't afford to maintain what we currently again. So  
12 thank you again for all you all have done and this money  
13 will be very, very well spent.

14           MR. HOUGHTON: Thank you, John.

15           MR. McBETH: Thank you.

16           MR. HOUGHTON: Is there a motion?

17           MR. AUSTIN: So moved.

18           MR. UNDERWOOD: Second.

19           MR. HOUGHTON: All in favor?

20           (Chorus of ayes.)

21           MR. GLEASON: All right. Agenda Item 8(c) awards  
22 \$5,000 of FTA Section 5317, New Freedom formula grant funds  
23 to the Texas State Independent Living Council for an  
24 outreach and educational initiative connecting rural centers  
25 for independent living with rural area transit providers to

1 assist those centers for independent living in meeting their  
2 transportation related program goals.

3           This initiative will occur at an upcoming Texas  
4 State Independent Living Center annual educational  
5 conference. The department is a regular participant in this  
6 conference and routinely funds projects around the state to  
7 assist persons with disabilities and their mobility needs.  
8 The staff recommends your approval of this minute order.

9           MR. HOUGHTON: Is there a motion?

10           MR. AUSTIN: So moved.

11           MR. UNDERWOOD: Second.

12           MR. HOUGHTON: All in favor?

13           (Chorus of ayes.)

14           MR. GLEASON: Thank you. Agenda Item 8(d) awards  
15 \$500,000 in federal funds under FTA Section 5311, non-  
16 urbanized area program to the city of Galveston for transit  
17 preventative maintenance purposes. These funds are the  
18 result of a decision by the Houston-Galveston Area Council  
19 to include in its adoptive fiscal year 2013 to 2016  
20 transportation improvement program, a preventative  
21 maintenance project for the Galveston area and to fund it  
22 with service transportation program, metropolitan mobility  
23 funds. Subsequent to this decision, these funds were  
24 transferred from the federal highway administration to the  
25 FTA 5311 program as permitted by federal statute.

1           The 2010 Census classified the city of Galveston  
2 as a non-urbanized or rural area. Federal rural program  
3 funds are administered by the department. Following  
4 Commission action, the department will pursue a project  
5 grant agreement with the city of Galv -- with the city of  
6 Galveston for these purposes. Staff recommends your  
7 approval of this minute order.

8           MR. HOUGHTON: Motion?

9           MR. UNDERWOOD: So -- so moved.

10          MR. AUSTIN: Second.

11          MR. HOUGHTON: All in favor?

12          (Chorus of ayes.)

13          MR. GLEASON: Thank you.

14          MR. HOUGHTON: Thanks, Eric.

15          MR. BASS: Thank you, Eric

16          MR. GLEASON: Thank you.

17          MR. BASS: Next up we have the consideration of  
18 final adoption of a number of amendments to various areas of  
19 our administrative roles. The first such item will be  
20 presented by Director of Environmental Affairs Carlos  
21 Swonke.

22          MR. SWONKE: Thank you, James. Good morning. For  
23 the record, my name is Carlos Swonke, director of TxDOT's  
24 Environmental Affairs Division. This minute order adopts  
25 amendments to our Chapter 2 rules, environmental review of

1 transportation projects.

2           At the Commission's November 21st meeting --  
3 November 21st meeting of 2013, you approved a proposed  
4 rulemaking package that would amend the department's Chapter  
5 2 rules regarding environmental review of transportation  
6 projects.

7           The proposed amendments were published in the  
8 Texas register on December 6th of last year. We proposed  
9 the amendments for the following three reasons. First,  
10 Senate Bill 466 passed -- passed by the 83rd Legislature,  
11 allows TxDOT to accept assignment of FHWA responsibilities  
12 under the National Environmental Policy Act, NEPA.

13           The proposed rule modifications are needed to be  
14 consistent with the NEPA assignment agreements that are  
15 being developed.

16           Secondly, provisions in MAP-21 allow several new  
17 strategies to streamline the environmental process. The  
18 proposed rules would -- would incorporate these new  
19 strategies into TxDOT's processes.

20           And thirdly, the department's public participation  
21 process is being substantially revised to increase the  
22 effectiveness of public participation.

23           Three sets of comments were -- were received on  
24 the proposed rules, one for federal highways, another for  
25 the Texas General Land Office and the other from the Texas

1 Commission on Environmental Quality. We address those  
2 comments accordingly.

3 At this time, we ask that you approve the changes  
4 for final adoption.

5 MR. VANDERGRIFF: Move, Mr. Chairman

6 MR. AUSTIN: Second.

7 MR. HOUGHTON: It's a big deal too. All in favor.

8 (Chorus of ayes.)

9 MR. HOUGHTON: Thank you very much, Carlos.

10 MR. SWONKE: Thanks.

11 MR. BASS: The next set of amendments to be  
12 considered for final adoption will be presented by Finance  
13 Director Brian Ragland.

14 MR. RAGLAND: Thank you. Again, for the record,  
15 Brian Ragland, Director of the Finance Division. Before you  
16 are final amendments to rules related to collection of debts  
17 and payments for goods and services at the department.  
18 These changes would provide greater flexibility to allow us  
19 to make better business decisions related to collecting  
20 payments and remove stipulations that may discourage  
21 customers from paying us.

22 Briefly, I'll list out the changes and -- and take  
23 any questions you may have. First of all, there's a \$25 cap  
24 currently on what we charge for bad checks. We -- the  
25 statute allows us to charge \$30. We are asking that we just

1 remove this limitation and defer to the statute.

2           Next, language is added to -- to disallow a  
3 certain payment type if it makes good business sense.  
4 There's currently a cap of \$2,000 on a credit card  
5 transaction. We're asking to remove that if it makes good  
6 business sense to accept a transaction over that amount. We  
7 should be able to do so.

8           We're asking to remove the \$1 fee per transaction  
9 for credit cards and instead leave it to agency -- agency  
10 discretion. And finally, there's a repeal of a section that  
11 because of these other changes, that section would no longer  
12 be needed because it was specifically accepted from these  
13 things because of their limitations. And that's all I have.  
14 We received no comments on these rules. Staff recommends  
15 your approval.

16           MR. HOUGHTON: Is there a motion?

17           MR. MOSELEY: So moved, Chairman.

18           MR. AUSTIN: Second.

19           MR. HOUGHTON: All in favor?

20           (Chorus of ayes.)

21           MR. RAGLAND: Thank you.

22           MR. BASS: Thanks, Brian. The next set of  
23 amendments, Agenda Item 9(a)(3), will be presented by Deputy  
24 Executive Director John Barton.

25           MR. BARTON: Thank you, Director Bass. For the

1 record, my name is John Barton, Deputy Executive Director of  
2 the Department of Transportation. In the minute order  
3 before you Commissioners relates to the final adoption of  
4 department rules concerning our landscaping activities.  
5 House Bill 3422 enacted during the most recent regular  
6 session of the Texas Legislature requires the department to  
7 establish a program through which the department may accept  
8 donations of landscape materials for highway projects from  
9 any source.

10           The department currently has two programs. One  
11 entitled Landscape Cost Sharing Program, the second  
12 Landscaping Partnership Program that allow us to accept  
13 landscape donations from local governments and from civic  
14 organizations.

15           To implement the provisions of House Bill 3422,  
16 the department is amending the existing landscape program  
17 rules in Chapter 2, specifically Sections 12.5 and 12.7 to  
18 allow individuals as well as any organization to participate  
19 in both of these programs.

20           The department is updating its regarding signs  
21 that may be erected at these landscape project sites and  
22 traffic safety plans that may be provided during the  
23 installation and work on such a project.

24           No comments were received during the open comment  
25 period for these proposed rule revisions and staff

1 recommends your approval of this minute order to finally  
2 adopt these rule revisions.

3 MR. HOUGHTON: Motion?

4 MR. AUSTIN: So moved.

5 MR. UNDERWOOD: Second.

6 MR. HOUGHTON: All in favor?

7 (Chorus of ayes.)

8 MR. BASS: Thank you. The next set of proposed  
9 amendments for final adoption, Item 9(a)(4), will be  
10 considered for your -- be presented for your consideration  
11 by Right-of-Way Division Director John Campbell.

12 MR. CAMPBELL: Good morning. Thank you, James.  
13 For the record, my name is John Campbell, Director of the  
14 Right-of-Way Division. I would like to present for your  
15 consideration this morning Item 9(a)(4) which adopts  
16 amendments to Subchapter B, Section 21.23 of the Texas  
17 Administrative Code.

18 These amendments regarding state participation in  
19 the costs of toll project related utility accommodations,  
20 these amendments were required by House Bill 2585 passed  
21 during the 83rd Legislature and they removed the September  
22 1, 2013 original expiration date of this cost participation  
23 program and made the provisions permanent.

24 We conducted no public hearing with regard to  
25 these rules. We had a open -- open comment period that

1 expired on February the 3rd of 2014. No public comments  
2 were received on the item. Staff recommends your approval.

3 MR. HOUGHTON: Motion?

4 MR. AUSTIN: So moved.

5 MR. UNDERWOOD: Second.

6 MR. HOUGHTON: All in favor?

7 (Chorus of ayes.)

8 MR. CAMPBELL: Thank you.

9 MR. HOUGHTON: Thank you, John.

10 MR. BASS: Next, Agenda Item 9(a)(5) is the last  
11 set of proposed amendments to our administrative rules for  
12 your consideration today. They will be presented by  
13 Maintenance Division Deputy Director Carolyn Dill.

14 MS. DILL: Good morning. For the record, I'm  
15 Carolyn Dill, Deputy Director of the Maintenance Division.  
16 And this minute order proposes changes to the rules that  
17 give authority for the Port of Brownsville to issue permits  
18 for operation of oversized, overweight vehicles on roads  
19 within Cameron County. The amendment alters the oversized,  
20 overweight quarter route used by the navigation district as  
21 authorized by House Bill 3125 of the 83rd Legislative  
22 session.

23 The change will allow the Port of Brownsville to  
24 accommodate the permitting needs of additional businesses  
25 locating in the port area. The staff recommends your final

1 adoption.

2 MR. HOUGHTON: Questions, a motion?

3 MR. AUSTIN: I just have one comment. And I know  
4 we spent some time down in McAllen and Brownsville really  
5 appreciate their leadership and working with the ports to  
6 move goods and services. And this is a great -- I think  
7 this is a great deal to help them.

8 MS. DILL: Yes, sir.

9 MR. AUSTIN: So I -- I move approval.

10 MR. UNDERWOOD: Second.

11 MR. HOUGHTON: All in favor?

12 (Chorus of ayes.)

13 MS. DILL: Thank you.

14 MR. BASS: Thank you. Next, we'll move to Item  
15 10, the monthly report on the department's compliance and  
16 ethics. It'll be presented by Benny Ybarra, the Chief  
17 Compliance and Audit Officer.

18 MR. YBARRA: Thank you. Good morning. The  
19 purpose of this report is to provide a summary of  
20 information related to allegations and investigations for  
21 the month of February 2014. In accordance with  
22 Transportation Code 201.452 and 201.454, 32 allegations were  
23 received and 26 were closed during February. Two of these  
24 were substantiated. And no additional actions were  
25 recommended at this time.

1 MR. HOUGHTON: Thank you, Benny.

2 MR. YBARRA: Thank you.

3 MR. HOUGHTON: Any questions? No? Thanks.

4 MR. BASS: Next, we have Item 11 covering updates  
5 to the Unified Transportation Program. It'll be presented  
6 by Director of Planning Marc Williams.

7 MR. M. WILLIAMS: Good morning. Thank you, Mr.  
8 Bass, members of the Commission. For the record again, my  
9 name is Marc Williams. And this minute order is approved  
10 for updates to the 2014 Unified Transportation Plan. We've  
11 got just kind of a brief slide presentation here to just  
12 kind of step us through what the -- the revisions to the  
13 March updated UTP include.

14 As is typical, the revisions include finding level  
15 adjustments, an initial -- an initial designation of major  
16 projects which is a new addition to the UTP project list  
17 updates, allocation and an update of the balance of  
18 transportation development credits and technical revisions  
19 and corrections to the document.

20 Funding level adjustments or changes to statewide  
21 funding levels based on a revised financial forecast, we did  
22 receive some updates from FHWA over the past couple of  
23 months on adjustments of our FY14 federal obligation  
24 authority levels. And those were reflected in the UTP for  
25 this month.

1           In addition, we've been working with our districts  
2 and MPOs on several fund transfer requests where we're  
3 attempting to move funds between categories and years,  
4 trying to make sure that they properly -- properly align  
5 with the timing and availability of project initiation so  
6 that we can use as much capacity as possible during FY14.

7           As I mentioned earlier, one of the additions to  
8 the -- the UTP is -- is something that we noted when we  
9 published the original FY14 UTP. And that was the  
10 designation of major transportation projects. Senate Bill  
11 1420 and then codified in our transportation code was the  
12 identification with the requirement to identify major  
13 transportation projects in the UTP. And that was again  
14 specified and required by the department in Senate Bill  
15 1420.

16           Our transportation code outlines eligibility  
17 determination, consideration that we give when we designate  
18 major transportation projects. There's five key criteria  
19 that we look at, total project cost. Typically projects  
20 over \$500,000,000 in costs is the target, high level of  
21 public and legislative interest, significant level of local  
22 and private entity funding, complexity of the project and  
23 the -- the critical need, the time sensitive need for -- for  
24 project implementation.

25           Senate Bill 1420 requires that we establish and

1 report on some benchmarks for these major transportation  
2 projects. And they include environmental clearance status,  
3 right-of-way acquisition, utility adjustments, plus any --  
4 an award of construction contract and anticipated  
5 construction completion. Critical benchmarks also apply if  
6 listed in the first year of the UTP.

7           Candidate list of projects that we are proposing  
8 are really six. Most of these are -- all of these are very  
9 familiar to the Commission. All of them involve strategic  
10 projects of the department. We've been working very closely  
11 with our Strategic Projects Division and the reporting  
12 requirements associated with these, but they include State  
13 Highway 183 managed lanes, the 375 Border Highway west, the  
14 US 181 Harbor Bridge in Corpus Christi, US 281 in San  
15 Antonio, State Highway 99, the Grand Parkway segments HI-1  
16 and I-2 and then State High 288 in Harris County.

17           In addition, I mentioned that there were several  
18 program updates. Notably, funding for mobility programs in  
19 San Antonio and El Paso that leverage additional vehicle  
20 registration fees and local funds to implement a -- a range  
21 of critical projects in both of those areas of the  
22 department and the Commission and -- and our local districts  
23 have been working with local entities for some time to pull  
24 those packages and projects together.

25           And in addition, there is some other minor project

1 revisions that includes schedule and cost adjustments on  
2 projects. In addition, there are some administrative  
3 revisions for programs in Categories 5 and 9. Those are our  
4 CMAC and our transportation alternative program's funding.  
5 Back in December, the Commission had authorized us to  
6 convert some of those funds into an STP-Flex category. That  
7 was really designed to allow some additional flexibility for  
8 us to work with the MPOs in those areas and our districts to  
9 program those projects this fiscal year. And we -- we were  
10 successful in -- in that regard and have come back and  
11 included in the March update revisions to account for those  
12 programs of projects at each of those -- those regions.

13 In addition, there's some additional  
14 administrative approvals and allocation adjustments related  
15 to programs. And all of this information is posted and  
16 available online.

17 Finally, one other area that I wanted to -- to  
18 note, I mentioned earlier in the previous slides some of the  
19 efforts that we had in the -- in the fourth -- in the third  
20 bullet item to work on administrative amendments for the  
21 STP-Flex allocations. One of the things that we've also  
22 done is we've reached out and -- and are working with those  
23 areas to attempt to use transportation development credits  
24 as -- as a means of matching for Category 5 and 9 programs.  
25 That helps to free up those state funds, additional state

1 funds for other projects.

2           And in fact, the -- the Dallas-Fort Worth region  
3 came forward and are allocating their own -- their own  
4 transportation development credits for those projects. But  
5 we are asking for a -- an approval for about 25,000,000 in  
6 transportation development credits that we can apply to that  
7 STP-Flex category.

8           The current balances in our transportation  
9 developments credits for the state is -- is listed on the  
10 table at the right. We are working and -- and we may in --  
11 in future updates of the UTP come back to the Commission  
12 with some strategies and some plans on how we can leverage  
13 and work with in particular the three MPOs at the top that  
14 have the bulk of transportation development credits, how we  
15 may be able to work with them to leverage those TDCs and put  
16 them to use on -- on projects and programs statewide.  
17 Again, helping to reduce our -- our need to provide state  
18 matching funds for some of those federal programs.

19           As part of this March revision, there was a popup  
20 meeting that was held on February 20th, Texas register  
21 posting on the 21st of February. Public hearing was held on  
22 8 -- on March 18th and our deadline for receipt of comments  
23 was on March 24th. No comments were received. And so staff  
24 is now today recommending commission action for approval and  
25 adoption of these UTP revisions.

1 MR. HOUGHTON: Questions? Questions of Mark?  
2 Really? Well, Mark, you got off light today.

3 MR. M. WILLIAMS: We've -- we've worn you down.

4 MR. HOUGHTON: Yeah, you have -- you have worn us  
5 down. I do want to note that I was in San Antonio on Monday  
6 and I believe their MPO met that afternoon and the first  
7 vote was taken on their mobility plan, is that accurate,  
8 Russell and Marc?

9 MR. M. WILLIAMS: Yes, sir.

10 MR. HOUGHTON: And I understand it was affirmative  
11 and that's noted in the -- the San Antonio plan leveraging  
12 dollars and my congratulations to the MPO and the San  
13 Antonio leadership. So I just want to let you all know  
14 that.

15 MR. M. WILLIAMS: Right.

16 MR. HOUGHTON: Yeah, it is. It's wonderful. Any  
17 other questions or a motion?

18 MR. AUSTIN: So moved.

19 MR. UNDERWOOD: Second.

20 MR. HOUGHTON: All in favor?

21 (Chorus of ayes.)

22 MR. HOUGHTON: Thanks.

23 MR. M. WILLIAMS: Thank you.

24 MR. BASS: Next, we have Agenda Item 12 which deal  
25 with the next step in our enhanced toll collection efforts.

1 It will be presented by Toll Operations Division Director  
2 Doug Woodall.

3 MR. WOODALL: Thank you, Mr. Bass. Commissioner,  
4 for the record, Doug Woodall, Director of Toll Operations  
5 Division. Item 12 requests the Commission to issue an order  
6 prohibiting the operation of the listed vehicles on TxDOT  
7 operated toll roads. Senate Bill 1792 enacted by the 83rd  
8 legislative session created new enforcement remedies  
9 targeted at motorists with 100 or more unpaid toll  
10 violations within a 12 month period.

11 Transportation Code 371.110 authorizes the  
12 Commission to issue an order of prohibition subject to  
13 certain notice requirements. A person commits an offense by  
14 operating a vehicle in violation of this order. Subsequent  
15 offenses may result in impoundment of the vehicle.

16 TxDOT has met these notice requirements as  
17 previously mentioned and we have paired the first round of  
18 vehicles that we went through this process with, 25  
19 vehicles. We've paired that down to 12 that are listed in  
20 this prohibition order. Those have been paired down by  
21 entering into payment plans for the other 13 or in a few  
22 cases the offender is no longer the registered owner of that  
23 vehicle.

24 I'll be glad to answer any questions the  
25 Commission may have. Staff recommends approval.

1 MR. HOUGHTON: Does anyone have any questions?

2 MR. UNDERWOOD: Doug, we -- I want to make sure we  
3 understand. This -- for -- for the toll violators, what's  
4 going to happen to them if they haven't paid their tolls?

5 MR. HOUGHTON: They have not paid a large volume  
6 of tolls, correct.

7 MR. UNDERWOOD: Right.

8 MR. HOUGHTON: What is considered a large volume?

9 MR. UNDERWOOD: Right.

10 MR. WOODALL: We have most -- all of those that  
11 are on the list owe over \$100,000 in tolls and fees.

12 MR. UNDERWOOD: Each?

13 MR. WOODALL: Each. So this list consists of 1.2  
14 million dollars --

15 MR. UNDERWOOD: Right.

16 MR. WOODALL: -- in tolls and fees.

17 MR. UNDERWOOD: No, that's my point I'm trying to  
18 make is that this is -- we're not going to -- if somebody  
19 didn't pay his toll and he didn't pay his bill this month  
20 and all of a sudden we're going to pick him up and say are  
21 they going to stop him. There's going to be just a specific  
22 list of people that they're going to be actually looking  
23 for, isn't that correct?

24 MR. WOODALL: Yes, sir. That is correct.

25 MR. UNDERWOOD: And this is not the general

1 public. This will be the -- the flagrant people that are  
2 actually using. And even then I think it's going to take  
3 something like a hundred or so tolls that they haven't paid  
4 before we even really look at them so to speak, is that  
5 correct?

6 MR. WOODALL: Correct. A hundred violations.

7 MR. UNDERWOOD: Correct.

8 MR. WOODALL: Which means they've already have  
9 been --

10 MR. HOUGHTON: A hundred violations.

11 MR. UNDERWOOD: Right.

12 MR. WOODALL: Violations.

13 MR. HOUGHTON: Yeah.

14 MR. WOODALL: They have already gone through two  
15 rounds of just billing with no additional charges other than  
16 just a statement fee, a dollar fifteen statement fee.  
17 They've gone through two rounds of that. They've been  
18 designated as a violator. They've gone through collections  
19 efforts. In many cases have gone to court and entered into  
20 payment plans and defaulted on those payment plans. Have  
21 entered into subsequent payment plans and defaulted on those  
22 payment plans. So --

23 MR. UNDERWOOD: But -- but --

24 MR. WOODALL: -- they've been --

25 MR. UNDERWOOD: But even then -- even then when

1 they get stopped, they're going to be -- and actually, the  
2 first time they're going to actually be issued a ticket and  
3 then the second time there's an opportunity for confiscation  
4 of the vehicle, is that correct?

5 MR. WOODALL: Correct. If -- if the Commission  
6 passes this many --

7 MR. UNDERWOOD: Even though they owe a hundred  
8 thousand dollars, they're still not going to -- they're not  
9 going to lose a vehicle the first time. They're going to  
10 actually have -- they're going to receive a ticket, isn't  
11 that correct?

12 MR. WOODALL: Correct. Assuming the Commission  
13 approves it --

14 MR. UNDERWOOD: I know that --

15 MR. WOODALL: -- we'll -- we'll send a notice to  
16 them to that effect in writing. They have two week to  
17 respond.

18 MR. UNDERWOOD: Right.

19 MR. WOODALL: After two weeks, then they'll be  
20 subjected -- subjected to ticketing by law enforcement.

21 MR. UNDERWOOD: Semantics.

22 MR. WOODALL: If they use it a second time after  
23 that --

24 MR. UNDERWOOD: Then it's at the option to -- then  
25 it -- then there -- right, it's at the option of whether or

1 not they can lose their vehicle.

2 MR. WOODALL: Right.

3 MR. UNDERWOOD: It's not a guarantee that they're  
4 going to, isn't that correct?

5 MR. WOODALL: That's correct. They --

6 MR. UNDERWOOD: It's an option.

7 MR. WOODALL: The officer does have the option to  
8 ticket them again.

9 MR. UNDERWOOD: Right. So I want to make sure  
10 that we're not just -- okay. Thank you.

11 MR. WOODALL: If for example if there's any  
12 extenuating circumstances, the --

13 MR. UNDERWOOD: Exactly.

14 MR. WOODALL: -- children in the car for example  
15 was --

16 MR. BASS: And --

17 MR. WOODALL: -- was my best example.

18 MR. BASS: -- as Doug mentioned to point out,  
19 Commissioner, the individuals on this prohibition list have  
20 gone through a couple or several billing cycles without  
21 paying. In addition to that, over the last three or four  
22 months they have each been contacted three separate times  
23 from letters from the department in addition to being listed  
24 on our -- I believe all of them being listed on our top 25  
25 violation list. If they then continue -- if the Commission

1 passes this, continued to travel on the toll road without  
2 settling their debt, the first time they would be subject to  
3 ticketing. If they continue to do it a second time, they  
4 would be subject to ticketing and perhaps impoundment of  
5 their vehicle. So no one on this list would be surprised of  
6 the actions that may happen going forward if they continue  
7 to drive on the -- the toll road without -- without paying.

8 MR. UNDERWOOD: And -- and what made -- had made  
9 the list too if I remember correctly is like they have over  
10 a hundred violations total.

11 MR. BASS: Yes, sir.

12 MR. UNDERWOOD: Just to make the list. Plus the  
13 amount that they owe. It's not like oops, I forgot, you  
14 know, I didn't -- I got stuck on the freeway and I want to  
15 get off and I got caught in the toll way and had to get off.

16 MR. BASS: Yes, sir.

17 MR. UNDERWOOD: These are --

18 MR. BASS: These will not be people who  
19 inadvertently found themselves on a toll road one Wednesday  
20 afternoon. These will be people who habitually have  
21 utilized the toll roads and refuse to pay for that benefit.

22 MR. HOUGHTON: Any -- any other questions?

23 Motion?

24 MR. AUSTIN: So moved.

25 MR. UNDERWOOD: Second.

1 MR. HOUGHTON: All in favor?

2 (Chorus of ayes.)

3 MR. WOODALL: Let me off light too. Thank you.

4 MR. BASS: Next items are the award of contracts  
5 for maintenance in Department Building Construction and  
6 highway construction contracts which is Item 13(a). And it  
7 will be presented by Construction Division Director John  
8 Obr.

9 MR. OBR: Thank you, James. Good morning. For  
10 the record, I am John Obr, Director of the Construction  
11 Division. 13(a) is for consideration of the award or  
12 rejection of Highway Maintenance and Department Building  
13 Construction contracts led on March 5th and 6th of 2014.

14 We present 37 projects today. The average number  
15 of bids per project was 3.78. The low bid value was  
16 \$41,493,104.89. We had an overall under run of 6.86  
17 percent. Staff recommends award of all maintenance projects  
18 with the exception of the following: Lubbock County Project  
19 Number RMC-626707001. We receive two bids for this project.  
20 The low bidder came in at 61.78 percent or \$616,357.25 over  
21 the engineer's estimate.

22 This project is for Hot Mix Mill and Inlay work at  
23 various locations. After reviewing the low bid, we  
24 identified the major items attributing to the over run as  
25 hot mix and barricades. Hot mix items were above the state

1 averages which we attribute to the multiple project  
2 locations. The barricades are a bit -- a very high price  
3 which we feel could not be anticipated.

4 The district would like to reject this bid to  
5 allow them the opportunity to reevaluate the project and  
6 revise the engineer's estimate. We concur with this plan of  
7 action, therefore we recommend the project be rejected and  
8 relet at a later date. Any questions?

9 MR. HOUGHTON: Questions, motions?

10 MR. AUSTIN: So moved.

11 MR. UNDERWOOD: Second.

12 MR. HOUGHTON: All in favor?

13 (Chorus of ayes.)

14 MR. BASS: Next, Item 13(b). John.

15 MR. OBR: Item 13(b) is for consideration of the  
16 award or rejection of highway and transportation enhancement  
17 building construction contracts led on March 5th and 6th of  
18 2014. We present 62 projects today. The average number of  
19 bids per project was 4.37. The low bid value was a hundred  
20 and seventy-three million, one hundred and seventy-seven  
21 thousand thirty dollars and forty-nine cents.

22 The awards are split as four projects in mobility  
23 totally \$54,245,861.45. And 58 projects and preservation  
24 totaling \$118,931,169.04. We had an overall under run of  
25 2.85 percent. Staff recommends award of all construction

1 projects with the exception of the following: Brewster  
2 County Project Number C924-35-20. We received one bid for  
3 this project which came in at 77.14 percent or \$493,994.69  
4 over the engineer's estimate.

5           This project which is for base material and  
6 culvert improvements is part of the Texas Parks & Wildlife  
7 Department program. Upon consulting with TPWD about the  
8 over run, they indicated they would like to reject the bid  
9 in order to eval -- reevaluate the funding and needs for  
10 this project. We concur with this plan of action, therefore  
11 we recommend the project be rejected and relet at a later  
12 date. Any questions?

13           MR. HOUGHTON: Any questions? Motion?

14           MR. AUSTIN: So moved.

15           MR. UNDERWOOD: Second.

16           MR. HOUGHTON: All in favor?

17           (Chorus of ayes.)

18           MR. WOODALL: Thank you.

19           MR. BASS: That brings us to Item 14, Eminent  
20 Domain Proceedings, Right-of-Way Division Director John  
21 Campbell will present.

22           MR. CAMPBELL: Thank you, James. Again, I'm John  
23 Campbell, Director of the Right-of-Way Division. I would  
24 like to present for your consideration Item 14 which the  
25 filing of condemnation proceedings necessary to progress the

1 acquisition of 64 parcels by exercising of eminent domain.

2 20 of the parcels are non-controlled access  
3 parcels and 44 are on controlled access highway facilities.

4 Staff recommends your approval of the minute order.

5 MR. HOUGHTON: Can I ask a question, John, real  
6 quickly --

7 MR. CAMPBELL: Yes, sir.

8 MR. HOUGHTON: -- of -- of right-of-way and the  
9 city, the Give Back Program or the Take Back Program?  
10 Utilities that are in our right-of-way, we do not have the  
11 opportunity to charge a franchise fee, is that correct?

12 MR. CAMPBELL: That's correct, sir.

13 MR. HOUGHTON: If the city takes it on and there  
14 are utilities in those rights-of-way, they now have that  
15 opportunity to receive a franchise fee. Would you -- as a  
16 lawyer, would you step into that one for me?

17 MR. CAMPBELL: Well, I would have to clarify it  
18 first for the Texas Transportation Commission and I am not a  
19 lawyer although I'm frequently confused by one.

20 MR. HOUGHTON: Yeah.

21 MR. CAMPBELL: I'm -- I'm a professional engineer  
22 and --

23 MR. HOUGHTON: I'm sorry, John.

24 MR. CAMPBELL: -- and in my opinion, that it would  
25 depend. And so there is my lawyer like outcome.

1 (Laughter.)

2 MR. CAMPBELL: But it would -- it would depend  
3 upon the nature of the franchise arrangement in that local  
4 municipality. The -- the properties that are subject to  
5 utilities that occupy us by your statutory rights would  
6 transfer and assign with those properties as we've turn them  
7 over to be maintained in a public road use. So utilities  
8 that are occupying the public road right-of-way by that  
9 statutory authority would continue to have that statutory  
10 authority without cost.

11 However, a lot of the utilities that occupy our  
12 rights-of-way are thereby their own individual property  
13 interests. And in those cases, it would be open to  
14 negotiation with the city as to whether or not they could  
15 charge a franchise.

16 MR. HOUGHTON: If they can charge a franchise --

17 MR. CAMPBELL: Yes, sir.

18 MR. HOUGHTON: -- or a fee. Okay. I think there  
19 needs to be a motion.

20 MR. VANDERGRIFF: There sure does. I move that  
21 Texas Transportation Commission authorize the Texas  
22 Department of Transportation to use the power of eminent  
23 domain to acquire the properties described in the minute  
24 orders set forth in the agenda for the current month for  
25 construction, reconstruction maintenance, widening,

1 straightening or extending the highway facilities listed in  
2 the minute order as part of the state highway system and  
3 that the first record vote applies to all units of property  
4 to be condemned.

5 MR. MOSELEY: Second, Chairman.

6 MR. HOUGHTON: All I favor?

7 (Chorus of ayes.)

8 MR. HOUGHTON: Thank you, John.

9 MR. CAMPBELL: Thank you.

10 MR. HOUGHTON: Item 15 contains the routine minute  
11 orders including donations to the Department, right-of-way  
12 dispositions and donations, transportation planning,  
13 designation of access control, highway designation and speed  
14 zones. Is there a motion to accept?

15 MR. VANDERGRIFF: So moved.

16 MR. MOSELEY: Second.

17 MR. HOUGHTON: All in favor?

18 (Chorus of ayes.)

19 MR. HOUGHTON: Thank you very much.

20 MR. BASS: Mr. Chairman, that concludes the action  
21 items on today's agenda. I will hand the meeting back to  
22 you.

23 MR. HOUGHTON: Anybody signed up to speak in open?  
24 No? Hey, Don Dixon, I have a question for you if you can  
25 stay right there. No, stay right there. You don't have to

1 get up. Have you gotten your toll tag yet for San Antonio?

2 MR. DIXON: I have not.

3 MR. HOUGHTON: You know, they're going to have --  
4 we're going to have some assets down there pretty quick. So  
5 I want to make sure you're first in line. Thank you. We  
6 will at this time recess into executive session under  
7 Government Code Section 551.071 and Section 551.074. We are  
8 recessed into executive session.

9 (Commission recessed to Executive Session; Commission  
10 meeting reconvened at 12:17 p.m.)

11 MR. HOUGHTON: The meeting of the Texas  
12 Transportation Commission has reconvened. For the record,  
13 the time is 12:17 p.m. This concludes -- Commission has  
14 concluded its executive session. This completes all items  
15 on the agenda. Anything else today? There's no action  
16 before the Commission. Is there any motion -- privilege  
17 motion?

18 MR. MOSELEY: Move to adjourn then.

19 MR. VANDERGRIFF: Second.

20 MR. HOUGHTON: All in favor, aye. We are  
21 adjourned at 12:18 p.m.

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C E R T I F I C A T E

I, Kimberly C. McCright, CET, do hereby certify that the foregoing pages 1 through 130, constitute a full, true, and accurate transcript from electronic recording of the Texas Transportation Commission meeting held at 125 East 11<sup>th</sup> Street, Austin, Texas, on Thursday, March 27, 2014 at 9:00 a.m.

DATED this 4th day of April, 2014.

  
\_\_\_\_\_  
Kimberly C. McCright, CET