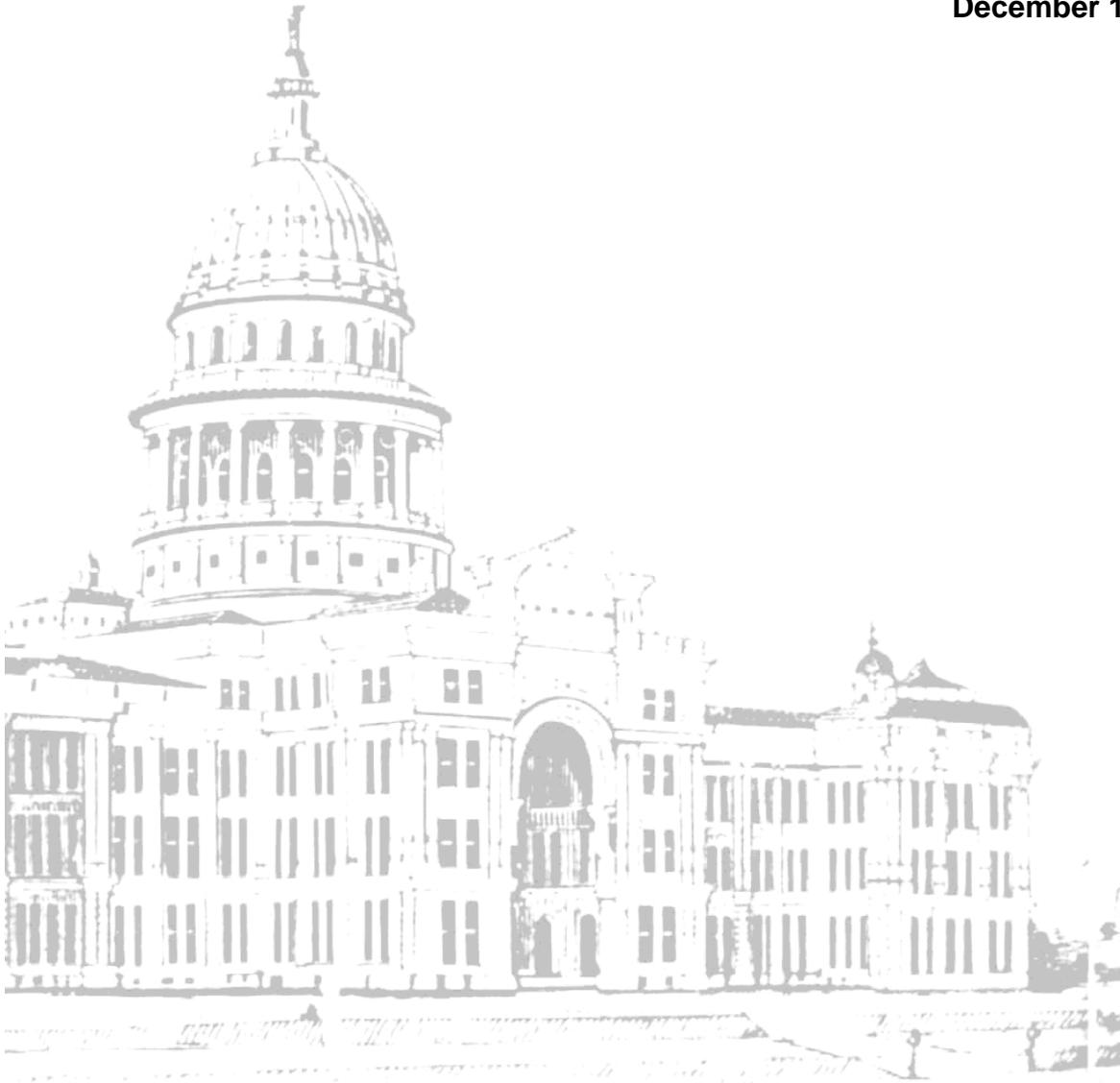


Transportation Program Expenditures Fiscal Year 2018

James M. Bass, Executive Director
Texas Department of Transportation

December 1, 2018



Submitted in Compliance with Section 201.616
of the Texas Transportation Code



TRANSPORTATION PROGRAM EXPENDITURES – FISCAL YEAR 2018 Texas Department of Transportation

Section 201.616 of the Texas Transportation Code requires an annual report to the Legislature on certain matters. Under this law, the Texas Department of Transportation (TxDOT) provides the following information within this report. Expenditures are reported for the fiscal year ended Aug. 31, 2018.

- Expenditures made by TxDOT in the preceding fiscal year in connection with:
 - The unified transportation program (UTP) of TxDOT
 - Turnpike projects and toll roads of TxDOT
 - Rail facilities described in chapter 91 of the Texas Transportation Code
- The amount of bonds or other public securities issued for transportation projects by TxDOT as of Aug. 31, 2018
- The direction of money by TxDOT to a regional mobility authority in Texas for the fiscal year ended Aug. 31, 2018

This report demonstrates how TxDOT is meeting its goals to deliver the right projects; focus on the customer; foster stewardship; optimize system performance; preserve our assets; promote safety; and, value our employees.

UNIFIED TRANSPORTATION PROGRAM (UTP)

The UTP is TxDOT's ten-year plan to guide transportation project development and construction. The UTP includes distribution of funding in the following project categories for the maintenance of the existing transportation system and for all highway construction programs:

- Category 1 – Preventive Maintenance and Rehabilitation
- Category 2 – Metropolitan and Urban Area Corridor Projects
- Category 3 – Non-Traditionally Funded Transportation Projects
- Category 4 – Statewide Connectivity Corridor Projects
- Category 5 – Congestion Mitigation and Air Quality Improvement
- Category 6 – Structures Replacement and Rehabilitation
- Category 7 – Metropolitan Mobility and Rehabilitation
- Category 8 – Safety
- Category 9 – Transportation Alternatives Program
- Category 10 – Supplemental Transportation Projects (State Park Roads, Railroad Grade Crossing Replanking Program, Railroad Signal Maintenance Program, Landscape Programs, etc.)
- Category 11– District Discretionary
- Category 12 – Strategic Priority

Details down to the project level are available on TxDOT's Internet site at:

<http://apps.dot.state.tx.us/apps/utp/search>

As a result of an effort by the Texas Transportation Commission (Commission) to simplify project planning, increase system connectivity, and localize decision making, certain categories reflect the involvement of Metropolitan Planning Organizations (MPOs). The project selection process is reviewed annually after public input. Project selection details are available on the Internet at the UTP web page noted above.

For purposes of this report, fiscal 2018 expenditures related to the UTP are broken out by program category and department district in the exhibit starting on page 9.

TURNPIKE PROJECTS AND TOLL ROADS

In fiscal 2018, capital, operating, maintenance, right of way, project development, administrative and financing expenditures, including debt service, on toll roads of the department, excluding indirect costs, from various funding sources including non-appropriated toll revenue and bond proceeds, were as follows:

District	Toll Project	Location	Total
Austin	Central Texas Turnpike System	SH 45N, Loop 1, SH 130 segments 1-4, and SH 45 SE	\$197,147,513
Beaumont	Grand Parkway Segments I-2A & I-2B	SH 99 Loop from I-10 E, south to Fisher Road	\$ 1,115,952
Bryan	SH 249 Extension	From Montgomery/Grimes County line to FM 1774 in Todd Mission, Grimes County	\$ 4,198,614
Dallas	LBJ Express^	I-635 from Luna Rd to east of U.S. 75, I-35E from Loop 12 to I-35	\$ 10,870,013
Dallas	I-635 East Express Lanes	I-635 from east of U.S. 75 to I-30 in Dallas County	\$ 4,094,676
Dallas	I-35E Project^	From I-635 in Dallas County to U.S. 380 in Denton County	\$ 34,639,970
Dallas	SH 183 Managed Lanes^	From east of SH 121 to near I-35 E/ Trinity Pkwy, Loop 12 from SH 183 to I-35E and SH 114 from International Parkway to Loop 12	\$222,089,530
Fort Worth	DFW Connector^	SH 114/SH 121 corridor around the north DFW Airport entrance	\$ 14,465,456
Fort Worth	North Tarrant Express^	Portions of I-35W, SH 121, SH 183 and I-820 in northern and eastern Tarrant County	\$ 90,574,326
Fort Worth	I-30 Managed Lanes^	From Fielder Rd in Tarrant County to E Sylvan Ave	\$ 7,862,466
Houston	Grand Parkway Segment I-2B	SH 99 Loop from FM 1405 to SH 146	\$ 527,529
Houston	Grand Parkway System *	SH 99 Loop from US 59N near New Caney to US 90 near Dayton to I-10E near Mont Belvieu through Montgomery, Harris, Liberty, and Chambers Counties	\$ 1,142
Houston	SH 288	From U.S. 59 to county line between Harris and Brazoria	\$ 22,278,686
Houston	SH 249 Extension	From FM 1774/FM 149 in Pinehurst to Montgomery/Grimes County line	\$133,917,822
San Antonio	SH 130 Segments 5 & 6	From Caldwell/Guadalupe County line to I-10 near Seguin	\$ 8,290,126

Notes:

^ Projects include non-tolled general purpose lanes and tolled managed lanes. Expenditures reported above are TxDOT expenditures for the total project, not just the tolled managed lanes.

* The responsibility for the financing, construction, operation and maintenance of these segments was assigned to the Grand Parkway Transportation Corporation (GPTC). These amounts are reported costs not eligible for reimbursements due to specific project agreement restrictions.

No other districts had expenditures related to TxDOT turnpike projects or toll roads in fiscal 2018. See RMA section on page 8 for expenditures on toll projects developed by RMAs.

RAIL FACILITIES DESCRIBED IN CHAPTER 91

Chapter 91 of the Transportation Code describes the Commission’s powers in relation to rail facilities.

In fiscal 2018, the following district expenditures were incurred on the rehabilitation of the South Orient Railroad for a tie marking and construction management contract:

<i>San Angelo</i>	\$5,354,314
-------------------	-------------

Expenditures for studies of freight and passenger rail, excluding indirect costs, totaled \$10,470,857, divided accordingly among the following districts:

<i>Atlanta</i>	\$108,332
<i>Austin</i>	\$511,528
<i>Dallas</i>	\$3,063,456
<i>El Paso</i>	\$14,210
<i>Fort Worth</i>	\$4,390,384
<i>Laredo</i>	\$244,859
<i>Odessa</i>	\$198,194
<i>San Antonio</i>	\$511,528
<i>Wichita Falls</i>	\$1,326,928
<i>Statewide Studies</i>	\$101,438

Note: Construction portion reported in this section is also in the UTP Exhibit in the “Rail” column. The studies portion is not.

BONDS OR OTHER PUBLIC SECURITIES ISSUED FOR TRANSPORTATION PROJECTS

As discussed more fully in the sections that follow, the Commission is authorized through various statutory and constitutional provisions to issue general obligation and revenue bonds. In addition, the Commission and the Grand Parkway Transportation Corporation have entered into secured loan agreements with the United States Department of Transportation through the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA).

Total TxDOT bonds and other public securities are detailed below by bond type and fund. Other than toll revenue bonds, TxDOT does not issue bonds for all contractor payments at one time; therefore, it is not known at the time of issuance which specific projects will be funded by a particular bond issuance.

TEXAS DEPARTMENT OF TRANSPORTATION		
BONDS ISSUED		
For the Fiscal Year Ended August 31, 2018		
Description of Issue	Bonds Issued to Date***	Bonds Outstanding***
Governmental Activities		
General Obligation Bonds:		
Texas Mobility Fund	\$ 7,198,050,000.00	\$ 6,024,765,000.00
Texas Highway Improvement	4,359,770,000.00	3,876,440,000.00
Revenue Bonds:		
State Highway Fund	4,592,450,000.00	4,202,305,000.00
Total Governmental Activities	<u>16,150,270,000.00</u>	<u>14,103,510,000.00</u>
Business-Type Activities		
Revenue Bonds:		
Central Texas Turnpike System*	3,252,448,471.51	2,756,650,392.31
Grand Parkway Transportation Corporation**	3,030,244,466.40	3,030,244,466.40
Total Business-Type Activities	<u>\$ 6,282,692,937.91</u>	<u>\$ 5,786,894,858.71</u>
*Central Texas Turnpike System bonds are not obligations of the State.		
**Grand Parkway Transportation Corporation bonds are not obligations of the State.		
***Bonds Issued to Date and Bonds Outstanding columns include refunding bonds and excludes bond premiums and discounts.		

TEXAS DEPARTMENT OF TRANSPORTATION		
TIFIA LOANS		
For the Fiscal Year Ended August 31, 2018		
Description	TIFIA Loans to Date	TIFIA Loans Outstanding*
IH 35E Project Loan	\$285,000,000.00	\$294,304,460.81
Grand Parkway Transportation Corporation	\$840,645,000.00	\$894,501,918.40
*TIFIA Loans Outstanding column includes accreted interest.		

General Obligation Bonds

Texas Mobility Fund (TMF)

Texas Constitution, Article III, Section 49-k and Transportation Code, Chapter 201, Subchapter M authorize the Commission to issue general obligation bonds payable from a pledge of and lien on all or part of the money in the Mobility Fund. The Mobility Fund bonds are designed to be self-supporting, but the full faith and credit of the state is pledged in the event the revenue and money dedicated to the Mobility Fund is insufficient to pay debt service on the bonds. As of Aug. 31, 2018, major sources of pledged revenue to the Mobility Fund include driver license fees, motor vehicle inspection fees, certificate of title fees and driver record information fees.

The issuance of Mobility Fund bonds is subject to debt service coverage requirements. Prior to a Mobility Fund debt issuance, the Texas Comptroller of Public Accounts must certify that there will be sufficient future resources on deposit in the Mobility Fund to ensure 110 percent coverage of debt service requirements during the period that the debt will be outstanding. Subject to the debt service coverage requirement, the Mobility Fund constitutional provision does not limit the amount of obligations that may be issued under the program. The Mobility Fund program is currently established in the aggregate principal amount of \$7.5 billion outstanding at any one time. House Bill 122, which was enacted during the regular session of the 84th Legislature and became effective on June 10, 2015, amends the authority to provide that no additional program obligations may be issued or incurred after Jan. 1, 2015, except for obligations issued to refund outstanding obligations to provide savings or to renew or replace credit agreements relating to outstanding variable rate obligations. Additionally, HB 122 provides that money in the Mobility Fund, in excess of amounts required by the proceedings authorizing obligations and credit agreements to be retained on deposit, may not be used for toll roads.

Bond proceeds are to be used for the purpose of refunding existing bonds and related credit agreements, creating reserves for payment of bonds and related credit agreements, paying bond issuance costs and paying interest on the bonds and related credit agreements.

State of Texas Highway Improvement General Obligation Bonds (HIGO)

Texas Constitution, Article III, Section 49-p and Transportation Code, Section 222.004, authorizes the Commission to issue general obligation bonds of the state of Texas for the costs of highway improvement projects including construction, reconstruction, design, the acquisition of right-of-way, the costs of administering the highway improvement projects and the costs of issuing the bonds. These bonds are not self-supporting and are considered a general obligation of the state of Texas. As of Aug. 31, 2018, the Commission has issued \$5.0 billion under the Texas highway improvement general obligation bond program.

Revenue Bonds

State Highway Fund (SHF) Revenue Financing Program

Texas Constitution, Article III, Section 49-n and Transportation Code, Section 222.003 authorizes the Commission to issue revenue bonds to finance highway improvement projects. The bonds are payable from pledged revenues deposited to the credit of the state highway fund, including dedicated taxes, dedicated federal revenues and amounts collected or received pursuant to other state highway fund revenue laws and any interest or earning from the investment of these funds. As of Aug. 31, 2018, the Commission has issued \$6.0 billion under the state highway fund revenue bond program.

Central Texas Turnpike System (CTTS) Toll Revenue Bonds

Transportation Code, Chapter 228 Subchapter C authorizes the Commission to issue revenue bonds to pay a portion of the costs of planning, designing, engineering, developing and constructing the Central Texas

Turnpike System (CTTS) located in the greater Austin metropolitan area in Travis and Williamson counties. The bonds are payable from and secured solely by a first and second lien on, as applicable, and pledge of the trust estate. The trust estate consists of all project revenues and investment earnings. Neither the state, the Commission, TxDOT, nor any other agency or political subdivision of the state, is obligated to pay the debt service on the CTTS revenue bonds.

Grand Parkway System Toll Revenue Bonds

Transportation Code, Chapter 431 authorizes the creation of the Grand Parkway Transportation Corporation, a public, non-profit Texas corporation created by the Commission to act on behalf of the Commission to finance, build and operate certain segments of State Highway 99 (the “Grand Parkway Project”) in the greater Houston area. In March 2012, the Commission adopted a resolution creating the Grand Parkway Transportation Corporation (GPTC). GPTC is authorized to assist and act on behalf of the Commission in the development, financing, design, construction, reconstruction, expansion, operation and/or maintenance of the Grand Parkway toll project. The bond obligations are payable from tolls and other revenues of the GPTC held by the trustee. Neither the state, the Commission, nor any other agency or political subdivision of the state is obligated to pay the debt service on the GPTC bonds.

TIFIA Loans

The Commission entered into a secured loan agreement with the United States Department of Transportation (USDOT) through the Transportation Infrastructure Finance and Innovation Act of 1998. USDOT agreed to lend the Commission up to \$285.0 million to pay a portion of the eligible project costs related to the initial phase of the IH-35E project.

The second TIFIA loan is a secured loan made to the Grand Parkway Transportation Corporation by the USDOT under the TIFIA. USDOT agreed to lend GPTC up to \$840.6 million to pay a portion of the eligible project costs. As of Aug. 31, 2018, the GPTC has drawn down \$840.6 million under the secured loan agreement for the purpose of providing funds to refund the GPTC Series 2014-A bond anticipation notes and the GPTC Series 2014-C toll revenue bonds. In accordance with the TIFIA loan agreement, the payments of principal and interest can be postponed under certain circumstances and such postponed payments increase the principal amount of the loan.

Conduit Debt

The Texas Private Activity Bond Surface Transportation Corporation (TxPABST), a blended component unit of TxDOT, has four conduit debt bond issues outstanding as of Aug. 31, 2018. The debt service payments associated with the TxPABST bonds are not the responsibility of the state of Texas.

DIRECTION OF MONEY BY THE DEPARTMENT TO REGIONAL MOBILITY AUTHORITIES

A regional mobility authority (RMA) is a political subdivision formed by one or more counties and, in limited instances a city, to finance, acquire, design, construct, operate, maintain, expand or extend transportation projects. Projects may be tolled or non-tolled. RMAs provide local governments more control in transportation planning, help build transportation projects, relieve congestion and improve mobility, and increase safety for motorists. The following table summarizes all cash disbursements made to or on behalf of RMAs by TxDOT for the year ended Aug. 31, 2018. Cash disbursements include payments directly to the RMA, disbursements of State Infrastructure Bank loans to the RMA, and other TxDOT expenditures considered incurred on behalf of an RMA.

District	Name	Grants	Loans	Pass Through Toll Payments	Other Payments	Total
Austin	Central Texas RMA	\$ 24,432,911	\$ 40,080,000	\$ -	\$ 3,903,704	\$ 68,416,615
El Paso	Camino Real RMA	\$ -	\$ -	\$ 31,300,000	\$ 7,359,597	\$ 38,659,597
Paris	Grayson County RMA	\$ -	\$ -	\$ -	\$ 10,487	\$ 10,487
Pharr	Cameron County RMA	\$ 6,738,305	\$ 253,888	\$ 2,770,000	\$ -	\$ 9,762,193
Pharr	Hidalgo County RMA	\$ -	\$ -	\$ -	\$ 4,290,285	\$ 4,290,285

Exhibit - UNIFIED TRANSPORTATION PROGRAM

Explanation of Tables

The listed fiscal 2018 expenditures for UTP Categories 1 through 12 represent expenditures, excluding indirect costs, directly related to contractor payments for highway improvement and maintenance projects.

Aviation expenditures exclude indirect costs and are directly associated with federal and state financial assistance grants to publicly-owned general aviation and reliever airports included in the Texas Airport System Plan. These Aviation Facilities development grants are for capital improvements for items such as pavement improvements, land acquisition, runway extension or relocation, terminal buildings, control towers, weather observing systems, and new facilities.

Public Transportation expenditures exclude indirect costs and are directly associated with federal and state grant programs for public transportation.

Expenditures for Rail Related Projects exclude indirect costs and represent those projects listed in the rail section of the UTP.

Expenditures by Unified Transportation Program Category

	Category 1	Category 2	Category 3	Category 4	Category 5	Category 6
TxDOT District	Preventive Maintenance and Rehabilitation	Metro & Urban Corridor Projects	Non- Traditional Funded Projects	Statewide Connectivity Corridor Projects	Congestion Mitigation and Air Quality Improvement	Structures Replacement and Rehabilitation
Abilene	61,246,353	502,354	90,763	2,177,289		16,343,969
Amarillo	70,088,284	5,721,624	9,605,415	6,911,215		20,378,616
Atlanta	57,081,897	1,441,706	17,938,382	4,294,943		10,294,410
Austin	52,519,669	84,225,129	57,467,753	22,785,909		8,400,957
Beaumont	30,352,864	10,830,452	9,665,709	4,832,416	1,497,370	16,061,277
Brownwood	12,088,410		66,312	17,458,031		8,693,771
Bryan	47,763,756	5,089,255	1,973,360	68,766,334		7,724,724
Childress	18,338,797			793,749		2,598,698
Corpus Christi	80,752,751	16,797,103	27,764,551	7,439,823		37,287,769
Dallas	99,546,239	136,488,865	229,105,934	19,742,482	27,960,905	27,007,993
El Paso	17,869,537	51,704,937	30,461,675	2,982,196	15,798,675	2,321,319
Fort Worth	72,115,875	21,739,199	95,891,814	18,516,471	8,505,758	9,186,606
Houston	81,287,196	144,445,249	250,354,598	21,958,283	78,953,631	15,935,664
Laredo	42,263,630	3,276,169	2,810,578	5,724,534		6,020,464
Lubbock	51,793,673	3,921,791	158,867	4,363,117		7,509,899
Lufkin	32,757,179		2,249,860	6,069,180		12,058,719
Odessa	49,208,722	7,247,725	1,589,011	15,633,490		6,761,810
Paris	58,224,079	8,119,427	11,856,642	4,113,172		2,482,133
Pharr	32,587,410	12,974,501	15,117,449	10,347,581		8,561,299
San Angelo	24,757,146	2,305,810	119,482	6,295,357		4,295,532
San Antonio	112,568,407	84,551,400	109,345,027	22,355,894		9,401,534
Tyler	45,346,876	21,410,436	405,918	8,525,399		7,810,596
Waco	62,468,598	30,028,140	48,053,074	24,206,839		12,277,558
Wichita Falls	32,151,706	413,049	340,857	5,176,658		9,597,466
Yoakum	59,805,852	13,187,526	9,180,676	16,579,606		26,302,386
Total	\$ 1,304,984,904	\$ 666,421,845	\$ 931,613,707	\$ 328,049,967	\$ 132,716,339	\$ 295,315,170

Expenditures by Unified Transportation Program Category, Continued

	Category 7	Category 8	Category 9	Category 10	Category 11	Category 12
TxDOT District	STP - Metro Mobility / Rehabilitation	STP - Safety	STP - Transportation Alternatives	Miscellaneous	District Discretionary	Strategic Priority
Abilene		6,899,520	(255,982)	56,631	7,351,893	29,024,832
Amarillo		4,103,545	36,240	45,549	16,659,590	2,378,432
Atlanta		14,190,538		1,374,183	3,452,961	2,122,787
Austin	22,609,121	15,336,937	4,878,475	2,746,792	31,064,778	72,053,161
Beaumont	453,058	10,714,319	667,430	2,823,532	7,000,966	29,090,580
Brownwood		11,773,223	192,879		4,633,735	216,519
Bryan		7,965,688		2,966,363	7,255,365	4,249,283
Childress		2,627,995		-	4,464,024	-
Corpus Christi	7,211,197	2,985,948	765,724	11,341,869	6,271,279	53,729,483
Dallas	76,826,408	21,966,023	12,590,612	11,031,825	38,706,385	230,675,448
El Paso	17,490,317	6,305,065	1,749,197	9,903,632	7,867,454	13,108,279
Fort Worth	84,649,259	16,700,250	10,339,387	11,050,293	56,954,336	148,819,395
Houston	69,157,930	6,503,414	11,089,142	14,707,550	78,019,729	81,830,178
Laredo	2,243,688	8,082,186	859,268	15,129,949	12,438,121	556,545
Lubbock	3,893,302	2,234,208	554,776	3,128,280	10,109,851	9,044,641
Lufkin		14,639,386	392,045	265,746	6,649,313	3,786,499
Odessa		8,862,213	3,597,769	3	25,061,290	140,002
Paris		12,638,000	14,541,036	352,393	5,702,746	3,885,904
Pharr	12,191,796	3,482,634	2,424,411	12,544,960	4,256,866	18,676,432
San Angelo		5,036,097	951,252	-	11,539,911	331,745
San Antonio	27,993,528	7,086,684	6,137,857	7,024,271	37,401,344	28,888,461
Tyler		12,164,681	4,282,366	4,862,230	2,325,202	26,901,997
Waco	580,790	4,409,998	5,878,650	3,408,675	5,173,396	79,102,264
Wichita Falls		3,504,330		987,159	3,164,249	2,926
Yoakum		9,110,741		2,057,570	11,523,410	8,982,268
Total	\$ 329,081,717	\$ 219,323,624	\$ 85,080,950	\$ 118,040,134	\$ 405,048,195	\$ 847,598,060

Expenditures by Unified Transportation Program Category, Concluded

TxDOT District	Aviation	Public Transportation	Rail Related Projects	TOTAL
Abilene	162,755	1,380,391		\$ 125,006,854
Amarillo	1,034,412	3,073,764		\$ 140,036,685
Atlanta	1,198,796	3,560,702		\$ 117,194,992
Austin	2,979,370	12,084,441		\$ 389,152,492
Beaumont	1,130,542	3,013,088		\$ 128,133,603
Brownwood	432,144	4,467,223		\$ 60,252,925
Bryan	1,314,450	8,132,691		\$ 165,143,344
Childress	44,906	1,241,351		\$ 30,109,521
Corpus Christi	2,564,723	3,487,284		\$ 258,399,504
Dallas	11,844,626	5,118,556		\$ 948,612,301
El Paso	235,990	4,938,783		\$ 182,737,056
Fort Worth	9,487,973	5,019,595		\$ 568,976,212
Houston	11,577,301	4,746,599	3,210,255	\$ 873,776,718
Laredo	97,427	2,481,095		\$ 101,983,653
Lubbock	1,267,405	5,256,560		\$ 103,236,371
Lufkin	2,371,597			\$ 81,239,526
Odessa	603,615	2,458,063		\$ 121,163,714
Paris	692,961	5,174,030		\$ 131,563,844
Pharr	3,251,118	5,928,277		\$ 142,344,734
San Angelo	118,346	2,315,544	5,369,467	\$ 63,435,689
San Antonio	4,963,966	5,824,760		\$ 463,543,134
Tyler	576,563	5,871,380		\$ 140,483,642
Waco	1,638,743	4,309,091		\$ 281,535,816
Wichita Falls	4,045,260	523,474		\$ 60,970,806
Yoakum	1,759,844	3,748,761		\$ 162,397,621
Total	65,394,834	104,155,504	8,579,722	\$ 5,841,430,759
Public Transportation Admin & Other		5,277,452	26,087	\$ 5,303,539
Grand Total	\$ 65,394,834	\$ 109,432,955	\$ 8,605,809	\$ 5,846,734,297