

TEXAS DEPARTMENT OF TRANSPORTATION

PUBLIC TRANSPORTATION ADVISORY COMMITTEE

MEETING

Room 1A.1  
200 East Riverside Drive  
Austin, Texas

Monday,  
April 16, 2012

COMMITTEE MEMBERS PRESENT IN AUSTIN:

Michelle Bloomer, Chair  
J.R. Salazar, Vice Chair  
Al Abeson  
Glenn Gadbois  
Brad Underwood

COMMITTEE MEMBER NOT PRESENT:

Christina Crain

STAFF:

Eric Gleason, PTN Director  
Bobby Killebrew, PTN Deputy Director  
Kelly Kirkland, PTN  
Ginnie Mayle, PTN

I N D E X

<u>AGENDA ITEM</u>	<u>PAGE</u>
1. Call to Order	3
2. Approval of Minutes from February 9, 2012 meeting	3
3. Discussion of TxDOT's approach to multi-modal planning	19
4. Review and comment on TxDOT Rural Transportation Plan	32
5. Discussion on summary of regional coordination plans	55
6. Review of Census data regarding urbanized areas	3
7. Review and discussion of PTAC Work Plan consistent with committee duties as described in 43 Texas Administrative Code '1.84(b)(3) and update on current activities related to work plan elements	71
8. Discussion and comment on Transportation Development Credits Rulemaking Advisory Committee efforts	81
9. Division Director's report to the Committee regarding public transportation matters, including an update on items the department has been involved with and a recap of Texas Transportation Commission action regarding public transportation projects	118
10. Public comment	none
11. Confirm date of next meeting	120
12. Adjourn	120

P R O C E E D I N G S

1  
2 MS. BLOOMER: We'll go ahead and call the  
3 meeting to order.

4 The second item on the agenda is approval of  
5 the minutes from the February 9, 2012 meeting. Do I have  
6 a motion to approve the minutes?

7 MR. GADBOIS: Happy to make the motion.

8 MS. BLOOMER: I have a motion from Glenn. A  
9 second?

10 MR. UNDERWOOD: Second.

11 MS. BLOOMER: A second from Brad. All those in  
12 favor?

13 (A chorus of ayes.)

14 MS. BLOOMER: The motion passes.

15 We're going to go ahead and skip item 3 and  
16 move down to item 6, Review of Census data regarding  
17 urbanized areas, and Kelly is going to present that.  
18 Kelly.

19 MR. KIRKLAND: Good afternoon, PTAC. For the  
20 record, my name is Kelly Kirkland. I direct the Planning  
21 and Technical Support Section of the Public Transportation  
22 Division, and this afternoon I'm going to give you a quick  
23 update on some items we have from Census impacts.

24 Starting off, the key event here, on March 26  
25 the U.S. Census Bureau released their urbanized area

1 determinations, and this is going to take impact for  
2 federal FTA funding on October 1. That will be the  
3 federal fiscal year 2013 funding. It will take effect on  
4 September 1 in terms of state transportation funds, that  
5 is, the funds that TxDOT distributes to rural areas and to  
6 small urban areas as well.

7 Major determinations, these are some of the  
8 things that happened from the Census Bureau. First is, of  
9 course, Galveston lost status as an urbanized area and was  
10 reclassified as an urban cluster, and therefore, is going  
11 to be considered rural by both FTA and the state,  
12 according to current statute. San Marcos is a new small  
13 urbanized area, that is, between 50- and 200,000  
14 population. It's the only new urbanized area we have in  
15 the state, that's a small surprise there.

16 Also, there were some existing rural  
17 incorporated areas that were merged into large urbanized  
18 areas, including Georgetown, Kyle and New Braunfels. And  
19 there was an existing rural incorporated area that was  
20 merged into an existing small urbanized area, and the  
21 result was a new large urbanized area, and that was a bit  
22 of a surprise. And finally, we had some small urbanized  
23 areas that became large urbanized areas, and that was not  
24 much of a surprise in terms of Laredo, Killeen and  
25 Brownsville.

1           Some of the impacts on the federal funds, of  
2 course, large urbanized areas, it's a general rule that  
3 the formula funds that large urbanized areas get from the  
4 5307 program cannot be used for operating expenses. Now,  
5 there may be a caveat here. Typically, we'll have  
6 congressional action that will allow a phase-in period for  
7 areas that became newly large urbanized, whether it was a  
8 small urbanized area that became large or areas that were  
9 merged into a large urbanized area and lost their rural  
10 status or their existing small urbanized status. We'll  
11 have to see what happens from Congress on that.

12           And then also, of course, Galveston becoming  
13 rural, likely to see a significant reduction in their  
14 federal formula funds, moving from the 5307 to the 5311  
15 program.

16           On the state side, state urban funds, we have  
17 one new urbanized areas, San Marcos, and one fewer,  
18 Galveston, so we'll continue to have 30 areas that will be  
19 receiving state urban formula funds, so that will mean  
20 there's a fairly small impact, relatively small impact on  
21 the urbanized side of the state funding formula.

22           In terms of state rural funds, depending upon  
23 what happens with Galveston, if Galveston becomes its own  
24 rural transit district, which I think the expectations are  
25 leaning in that direction, then we'll have 39 rural

1 transit districts around the state. Currently we have 38.  
2 Of course, Galveston could decide to stay or to move into  
3 the Gulf Coast Center which currently covers the rural  
4 areas of Galveston County. In that case, we'd have 38  
5 rural transit districts.

6 Of course, we have the Census impact rule  
7 change that's happening pretty much right now in terms of  
8 special appropriation of funds to areas that have a  
9 negative impact from the Census, and we're working on what  
10 that means exactly. And then, of course, state funds are  
11 not available for urbanized areas that contain a transit  
12 authority, and that's going to impact Georgetown, Kyle and  
13 New Braunfels. In other words, beforehand the population  
14 and area for those three areas were counted as rural  
15 transit districts and counted in the funding formula for  
16 CARTS and for AACOG, and because they're now part of an  
17 urbanized area containing a transit authority, state funds  
18 cannot be used in those areas, and therefore, their  
19 population land area will not be counted in the state  
20 formula, either on the rural side or the urban side.

21 What's next? TxDOT will be working with  
22 impacted areas to share information. Public  
23 Transportation Division is working to determine options  
24 for the Census impact funding and what alternatives might  
25 be, and of course, our number one issue here is to support

1 continuation of transit services. So we're working on  
2 that using the flexibility we have under state statute and  
3 the rules.

4 Now, I have some maps here, some examples of  
5 maps. Did you have any questions before I go to those  
6 maps?

7 MR. UNDERWOOD: Just one just to make sure I  
8 understand, Kelly. So you've got Galveston as a city and  
9 then you've got Gulf Coast as the county, and that's been  
10 a rural and Galveston has been a small urban. Right?

11 MR. KIRKLAND: Well, the Galveston small urban  
12 area, the boundaries were the Galveston urbanized area  
13 boundary, as determined by Census, which is different from  
14 the Galveston city limits.

15 MR. UNDERWOOD: Okay.

16 MR. KIRKLAND: Now, they are probably fairly  
17 close, but I believe in the 2000 Census which established  
18 Galveston urbanized area, for example, included the  
19 Village of Tiki Island as part of the Galveston urbanized  
20 area. The Village of Tiki Island is now part of the Texas  
21 City urbanized area.

22 MR. UNDERWOOD: And so they can choose to make  
23 their own rural transit district, the City of Galveston?

24 MR. KIRKLAND: It would be by county boundary.

25 MR. UNDERWOOD: Oh, by county boundary.

1           MR. KIRKLAND: By county boundary. The current  
2 state statute allows creation of rural transit districts  
3 based on county boundaries, and that would include all of  
4 the non-urbanized area within that county. Galveston  
5 County, of course, includes part of the Texas City  
6 urbanized area which would not be part of a rural transit  
7 district.

8           MR. GADBOIS: Kelly, this presentation is not  
9 in our packet. Correct?

10          MR. KIRKLAND: I don't think so, no.

11          MR. GADBOIS: Can we get a copy of it out?

12          MR. KIRKLAND: Sure, we can do that.

13          MR. GADBOIS: Thank you.

14          MS. BLOOMER: So we only have one new small  
15 urbanized area?

16          MR. KIRKLAND: That's correct.

17          MS. BLOOMER: So how does that impact the  
18 Census impact and the amount of funding? So we should be  
19 much better off than we thought because we thought there  
20 were going to be considerably more than one.

21          MR. KIRKLAND: That impact is mainly on the  
22 urban side of the state formula funds. The original  
23 forecast, if we go back even just a month ago, the  
24 forecast was that we'd probably have three new small  
25 urbanized areas, and that means we'd have three more

1 plates at the table sharing in the formula funds, and that  
2 has a pretty significant impact. Now, because we're  
3 having basically an exchange of one for another, we'll  
4 have the same number of plates so it will be less of that  
5 kind of an impact on the state urban side.

6 On the state rural side, particularly if  
7 Galveston creates its own rural transit district where  
8 we'll have a new plate at the table on the rural side,  
9 there will be more of an impact on the rural funds in  
10 terms of the Census impact set-aside.

11 MR. GLEASON: If I can. But the bottom line is  
12 that our initial look at this suggests that we will need  
13 less than we thought to address the overall impact -- on  
14 the state side only, we're not talking about the federal  
15 side but just on the state side.

16 MR. KIRKLAND: That's right.

17 MS. BLOOMER: And then can you go back one  
18 slide. ON the last bullet there: State funds are not  
19 available for UZAs containing transit authorities.

20 MR. KIRKLAND: Correct.

21 MS. BLOOMER: Can you sort of give me the  
22 history, has that always been the rule?

23 MR. KIRKLAND: No, that's not always been the  
24 rule. It's been some years ago, but you go way, way back  
25 and TxDOT actually used to give state funds even to

1 metropolitan transit authorities, the big ones. But there  
2 were some changes based upon one of the reports produced  
3 by the Comptroller's Office when John Sharp was the  
4 comptroller, I believe it was probably Breaking the Mold,  
5 or something like that, suggesting that the state did not  
6 need to be in the business of supplying funds to transit  
7 authorities because they had many other resources,  
8 including things like a local sales tax. So at that point  
9 the statute was amended and it was subsequently recodified  
10 into the Transportation Code where it says that state  
11 funds -- let's see, the exact wording is something like a  
12 transit district that is inside an urbanized containing a  
13 transit authority cannot receive state funds.

14 Now, there's an exception for that, and that is  
15 what applies in places like Arlington and Mesquite and  
16 Grand Prairie and North Richland Hills, and it says if  
17 you've got a designated recipient receiving state funds  
18 during the biennium ending August 31, 1997, then they can  
19 continue to receive state funds, and there's certain  
20 caveats about match ratios and total amount available.  
21 However, our general counsel has looked at the statute and  
22 said that that would not apply to Georgetown, Kyle or New  
23 Braunfels.

24 MS. BLOOMER: So we're saying the state funds  
25 are not available for UZAs containing transit authorities,

1 but now we're saying it doesn't impact Georgetown, Kyle  
2 and New Braunfels.

3 MR. KIRKLAND: I'm saying they're not eligible  
4 for state funds.

5 MS. BLOOMER: And I guess I understand the  
6 reasoning behind not providing state funds to transit  
7 authorities that have taxing capability, but because the  
8 urbanized areas grow and you may take in a transit system  
9 that is not a transit authority -- and I don't know if  
10 we're the only region in the state where this is an  
11 example -- but I imagine if it isn't already, one day it  
12 will be an issue where you have a transit system that  
13 doesn't have the power to tax, that because the urbanized  
14 area grows, it's now within an urbanized area where there  
15 is a transit authority, although they are not one, and  
16 they lose state funds because they are now within the same  
17 urbanized area as a transit authority.

18 MR. KIRKLAND: I think when our general counsel  
19 looked it, I think one of the questions was were these  
20 areas, for example, Georgetown, was Georgetown a  
21 designated recipient receiving state funds, and they  
22 weren't. They were part of a rural transit district, and  
23 the remainder of that rural transit district still exists  
24 and still is eligible to receive state funds. So I think  
25 one of the issues was if the entire designated recipient

1 had been brought into the urbanized area, then I think we  
2 might see a different answer.

3 MS. BLOOMER: Or if Georgetown had become its  
4 own small urbanized area, then they would be eligible for  
5 state funds.

6 MR. KIRKLAND: And met that other criteria in  
7 terms of receiving the state funds back in the 96-97  
8 biennium.

9 MR. GLEASON: Well, no. I think what she's  
10 saying is if they were not included in the Austin  
11 urbanized area, they were freestanding -- which is what we  
12 thought they were going to be and we were surprised by the  
13 designation to include them in.

14 MR. KIRKLAND: Because then they wouldn't be in  
15 an urbanized area containing a transit authority in that  
16 case.

17 MS. BLOOMER: Right. It seems like an issue of  
18 semantics that because I'm not my own urbanized area now,  
19 I happen to be part of a larger one that just happens to  
20 have another transit authority that has taxing capability,  
21 I no longer can receive state funds.

22 And we don't have to discuss it here, but maybe  
23 it's something for when we get to the work plan and the  
24 group tackling Principle 1 can put that on their work plan  
25 as part of sort of financial sustainability, because to me

1 that seems like an odd leap, because now, just by  
2 association, I'm no longer allowed to receive funding.  
3 Nothing has really changed as far as the system or the  
4 service goes except now the arbitrary U.S. Census  
5 designation -- which even the Census Bureau says is not  
6 meant to be used by other federal entities to award funds,  
7 but FTA does -- we're using that to sort of determine who  
8 gets state funds and who doesn't.

9 MR. UNDERWOOD: And will they still receive the  
10 same level of service that they've been receiving in  
11 previous years.

12 MR. GADBOIS: Madam Chair, can I just make sure  
13 I'm clear on this now?

14 So this rule now in Transportation Code applies  
15 to urbanized areas, and the attorney is suggesting, or  
16 your general counsel is suggesting that they had to have  
17 been a designated recipient as an urbanized area?

18 MR. KIRKLAND: I don't have all the details,  
19 because we were talking last week in telephone calls and  
20 face-to-face, and we received an email this morning with  
21 kind of a determination that's pretty much cut and dried  
22 that they're not eligible. I don't have all of the  
23 background of that as to what it is. But based upon my  
24 interpretation of discussions back and forth is the fact  
25 that they were not a designated recipient in the time

1 period in question, the 96-97 biennium and receiving state  
2 funds as a designated recipient at that time, because that  
3 language is specifically in that exemption in the  
4 Transportation Code.

5 MR. GADBOIS: Okay. So your understanding is  
6 it's coming down to general counsel's read of what  
7 designated recipient is defined as. Because they are a  
8 recipient, they were a recipient of rural funds.

9 MR. KIRKLAND: Georgetown is not a recipient.

10 MR. GLEASON: Georgetown was not.

11 MR. GADBOIS: They were a recipient of rural  
12 funds.

13 MR. GLEASON: They were a recipient of rural  
14 service. We provided funding to the rural transit district  
15 which was CARTS. Georgetown was not a recipient.

16 MR. KIRKLAND: Yes, it is a semantics issue,  
17 but that's what attorneys hang their hat on is the  
18 language.

19 MR. GADBOIS: Okay.

20 MR. ABESON: Kelly, what is the distinction  
21 between Arlington and Mesquite being eligible to receive  
22 the state funds, but Georgetown, Kyle and New Braunfels  
23 are not?

24 MR. KIRKLAND: I believe the distinction there  
25 is that Arlington and Grand Prairie, Mesquite and North

1 Richland Hills were all designated recipients of state  
2 funds and received state funds in the 96-97 biennium.

3 MR. ABESON: So the fact that they have that  
4 history maintains their eligibility.

5 MR. KIRKLAND: And the language in the statute  
6 which describes that eligibility. Exactly.

7 MR. GLEASON: We've got some very specific  
8 language in the statute which last session there was an  
9 attempt to amend that language to be more inclusive --  
10 well, we didn't anticipate these specific situations but  
11 other situations that were anticipated at the time --  
12 there was an effort on the part of the association to  
13 amend the state code to be more inclusive of other areas  
14 that did not get passed. So what we have is we have some  
15 very specific legislative code that specifically calls out  
16 a subset of areas like this in the state that we have to  
17 work with, and we'd be more than happy to send you that  
18 code language and you can see it for yourself. It seems  
19 to be limiting our capacity in this situation with respect  
20 to state funds and what we may or may not be able to do  
21 with them.

22 MR. ABESON: That seems to be a violation of  
23 some equal protection concepts.

24 MR. GADBOIS: Kelly, you don't happen to have  
25 the code citation?

1 MR. KIRKLAND: Texas Transportation Code,  
2 Chapter 456.006(b) is the exemption.

3 MR. SALAZAR: Kelly, do you happen to have the  
4 dollar figure associated with that?

5 MR. KIRKLAND: In other words, if they were  
6 found eligible, how much money could they get?

7 MR. SALAZAR: Or how much money they're not  
8 going to get, I guess is more accurate.

9 MR. KIRKLAND: Well, because it's tied in with  
10 CARTS' and AACOG's distributions, we'd have to figure out  
11 their portion of the population and land area, so it would  
12 be a fraction of what CARTS is getting, and I don't have  
13 that.

14 MR. UNDERWOOD: Kelly, have you or Eric heard  
15 from Georgetown, Kyle and New Braunfels as far as concerns  
16 about not receiving state funds? I mean, is this a  
17 concern of theirs, are they worried about it?

18 MR. KIRKLAND: Well, of course, there was even  
19 a newspaper article I think the week after the Census news  
20 came out discussing CARTS service in Georgetown,  
21 understanding that the city people there were concerned  
22 about that. And we've also talked with some people  
23 representing some of those areas.

24 MR. UNDERWOOD: Okay.

25 MS. BLOOMER: And maybe after the meeting,

1 Ginnie, you can email us the presentation and then the  
2 work group that's going to tackle Principle 1 of the work  
3 plans can look into this a little bit more and we can flag  
4 it when we open the formula up again once we get  
5 reauthorization.

6 Go ahead, Kelly, on to the maps.

7 MR. KIRKLAND: All right. This is kind of a  
8 preliminary map that was prepared by TTI for us showing  
9 the area south of Austin, including the area that's newly  
10 urbanized which is the green shaded area, and then the  
11 mustard colored area on the main map is the 2000 Census  
12 urbanized area. And you can see there the city limits are  
13 in the bright lines, the red bright line is the City of  
14 Austin, the purple is City of Buda, and then the blue is  
15 City of Kyle. And you can see, of course, city limits and  
16 urbanized areas boundaries don't match up at all, I mean,  
17 generally speaking, but there are lots and lots of  
18 exceptions to that. But this gives you an idea of how  
19 things kind of link together here.

20 And some of the preliminary work that had been  
21 done, looking at particularly this area right here, some  
22 of the forecasting stated that Kyle and San Marcos  
23 together would be a small urbanized area. Instead, what  
24 happened is San Marcos became it's own small urbanized  
25 area and Kyle was merged into Austin, so that was a bit of

1 a surprise, I think.

2 This is what happens down on the coast. You  
3 can see Texas City urbanized area has grown considerably.

4 It's still considered a small urbanized area. I believe  
5 the Texas City urbanized area population is about 106,000,  
6 so well under the 200,000 population limit. Galveston  
7 urban cluster which is a Census designation for an area  
8 that has urban characteristics but is less than 50,000  
9 population, I believe the Galveston urban cluster is about  
10 44,000 in population. And you can see just on the north  
11 end of the causeway there, there's an area that has kind  
12 of thick black line around it, that's the Village of Tiki  
13 Island which was merged into Texas City urbanized area so  
14 that includes that boundary, however, the jump across the  
15 causeway id not happen and that has to do with some  
16 technical reasons to how Census builds the urbanized area  
17 designation.

18 Well, that's all I had today. Did you have any  
19 other questions about this?

20 MR. ABESON: Thank you.

21 MR. UNDERWOOD: That was a very good  
22 presentation.

23 MS. BLOOMER: Thank you, Kelly.

24 MR. KIRKLAND: You're welcome.

25 MS. BLOOMER: We'll go back up to number 3,

1 Discussion of TxDOT's approach to multi-modal planning,  
2 and Eric, do you want me to turn it over to you?

3 MR. GLEASON: Sure. This is Eric Gleason with  
4 the Public Transportation Division.

5 I'd like to ask Marc Williams, our new director  
6 of Planning, to come on up. Marc, I'm going to let you  
7 introduce yourself to the committee. But I asked Marc to  
8 come today to speak with the committee about his vision or  
9 his plans for multi-modal planning here at TxDOT. Marc.

10 MR. WILLIAMS: Thank you, Eric, and good  
11 afternoon. Apologize for being a little bit tardy this  
12 afternoon, and I'm sure that Eric is going to make sure  
13 that I'm properly chastised about that.

14 As Eric introduced me, my name is Marc  
15 Williams. I am the recently named director of Planning  
16 for the Texas Department of Transportation. I come to the  
17 department with a background of public and private sector  
18 experience, having worked previously in Kentucky for the  
19 Kentucky Transportation Cabinet, and also been involved  
20 working for several different consultants nationwide. So  
21 that's just a little bit of an introduction to me.

22 Part of the charge that I have as director of  
23 Planning, and certainly it's an important objective for  
24 Phil Wilson, who is the executive director with TxDOT, is  
25 that we set a path forward that allows TxDOT to continue

1 to develop a more comprehensive, holistic vision toward  
2 how we do our transportation planning in the state.  
3 Obviously, there's a lot more to be addressed in that  
4 approach than can be covered today, and we're really in  
5 the process right now of starting to look at how we do  
6 that, and I certainly see this committee and all of our  
7 modal committees that we work with at the department as  
8 being a very essential part of how we go about improving  
9 our multi-modal planning process and integrating in how we  
10 set priorities, how we involve stakeholders, how we work  
11 best with existing committees that we have within the  
12 department and within the State of Texas.

13 One of the things I really do not want to see  
14 us do as a department is replicating functions that we  
15 already have existing in our current structure, and we  
16 tend to, a lot of times every time we sought off on a new  
17 venture, be it planning or modernization, we start setting  
18 up new committees, and one of the things that our staff is  
19 trying to do a good job at is look at what existing  
20 committees we have and how we can best use those  
21 committees as we go through this process of looking at  
22 developing a more comprehensive, holistic, multi-modal  
23 plan approach to transportation here in the State of  
24 Texas.

25 I would also like to get your input on things

1 that you all as a committee would like to see addressed.  
2 I'm quite sure this committee has got opinions and  
3 thoughts on how we can be doing a better job of multi-  
4 modal planning within the state, and don't want to  
5 necessarily task you all with conveying that today, but to  
6 be thinking about that as a committee and certainly  
7 working with Eric and myself, to even work one on one  
8 individually with you all as to how the committee can help  
9 shape that.

10 So it's a very important task. It's something  
11 that Phil has identified as a top priority for me in this  
12 position and for TxDOT as an agency so that in the future  
13 we will evolve into an organization that really is multi-  
14 modal in how we look at transportation planning. And  
15 understanding, too, that we as an organization can contain  
16 certain things about what we do but we also have our  
17 legislative and federal sponsors, our local organizations,  
18 the MPOs, the cities, the counties, existing entities like  
19 the rail districts and our rural transit organizations and  
20 our local public transit organizations that are all  
21 important parts of this and they all get funding a little  
22 bit differently and there is going to be some areas where  
23 we just don't have direct input.

24 But that's a little bit of a preview of what  
25 we're working on. Certainly would look and hope to have

1 the opportunity to speak with this committee, like I said,  
2 one on one, and come back with a presentation later on  
3 about how we're seeing this coming together. We are  
4 putting together a modernization task force that will be  
5 looking at how we establish performance measures and  
6 assess how we're doing and assess projects and priorities  
7 that we put into our Statewide Long-Range Transportation  
8 Plans, and want to make sure that we're doing an effective  
9 job of addressing all of those areas.

10 But with that, I would certainly be happy to  
11 entertain any questions or comments from this committee.

12 MS. BLOOMER: Does the committee have any  
13 questions?

14 MR. ABESON: Do you have any sense of a  
15 framework in which you're going to do this planning that  
16 you can share with us?

17 MR. WILLIAMS: Well, one of the things -- first  
18 of all, one of the main objectives that I have is to work  
19 in the way of better communication. It's going to start  
20 with establishing a primary point of contact or individual  
21 of responsibility in the planning arena whose main job is  
22 going to be working with each of our modes, be it transit,  
23 aviation, rail, in their planning activities -- not to  
24 dictate how they do planning but to ensure that our  
25 planning on the statewide level is coordinated with the

1 plans that the multi-modal groups are doing, and vice  
2 versa.

3 I think all entities within TxDOT would kind of  
4 acknowledge that we've been working in silos, and if you  
5 pull out our Statewide Long-Range Plan and you look at it,  
6 you've got the highway section and you've got the rail  
7 section and then you've got the transit section and the  
8 aviation section. A lot of them, the formatting doesn't  
9 even match. And so conceptually, the first objective is  
10 to try to eliminate the silos that exist, and TxDOT has  
11 been working on this, but they still exist in some shape  
12 or form.

13 And so that's the first step is improve  
14 communication and improve linkages between silos. The  
15 second step is to get input from stakeholders like  
16 yourselves and other agencies and organizations. And the  
17 third step is to then begin to come up with a common  
18 vision for how we can be more effective in our approach to  
19 multi-modal long-range planning for the state.

20 MR. ABESON: We worked on a strategic plan --  
21 Eric, Michelle, you'll have to remind me exactly when we  
22 did that, was it last year that the agency developed a  
23 strategic plan and I know we had active attempt to make it  
24 better -- let me put it that way -- and I'm wondering now,  
25 as you go forward, what's the relationship between your

1 activities and that strategic plan.

2 MR. WILLIAMS: Was it a strategic plan out of  
3 the PTAC committee or the overall?

4 MR. GLEASON: No. It was the current Strategic  
5 Plan that we have, Marc, for the department, 2011 to 2015,  
6 and this group weighed in towards the end of that process  
7 and attempted to make a number of revisions, were  
8 partially successful, I think, but it's a tough group, we  
9 always fall a little short with what they want.

10 MR. ABESON: But we'll take another shot if we  
11 get it.

12 (General laughter.)

13 MR. GLEASON: It was recognized as a work in  
14 progress, so that's where Dr. Abeson is coming with that.

15 MR. WILLIAMS: Right. Well, I think we want to  
16 try to build off that. Part of the goal was to establish  
17 a holistic, coordinated planning process, and we've been  
18 looking at that. A lot of people have had different  
19 ideas, and if you read the Strategic Plan, it talks about  
20 putting together a single coordinated planning group, and  
21 when you describe that to different people, they have  
22 different perspectives about what that means.

23 One of the first things I did is I came in here  
24 and I went over and visited with Eric and Bill Glavin and  
25 Dave Fulton and all of our multi-modal leads to really

1 understand what they do in their arenas from a planning  
2 standpoint, and each of those groups is very unique. And  
3 so the way we're looking at it right now is kind of  
4 migrating a little bit away from what was in the strategic  
5 vision of this super planning group that might exist and  
6 looking at really allowing the multi-modal groups to  
7 continue to do planning the way they're doing their  
8 planning because they're so different. How rail, how  
9 aviation, how public transit approaches planning and how  
10 highways approach planning, there's very different things  
11 that we all do that we're not going to be able to just  
12 instantly merge together and come up with a simple fix to  
13 it. But the first step is establishing a single point of  
14 contact, a multi-modal director.

15           And so we're kind of revisiting some of the  
16 Strategic Plan areas, just where it looked good on paper  
17 but we may need to give it some further thought and  
18 assessment as we go through this. We may ultimately end  
19 up there, but for right now we want to start by addressing  
20 the communication side of it as we shape this vision.

21           MR. ABESON: We look forward to helping you.

22           MR. WILLIAMS: Look forward to working with you  
23 all very much.

24           MS. BLOOMER: And I just want to add too, I  
25 think some of the conversation of the committee has been

1 in the past is sort of trying to link all the different  
2 planning efforts, the Strategic Plan, the Rural  
3 Transportation Plan, and we've talked about how the Rail  
4 Division has its own plan, but I don't believe Public  
5 Transportation has a plan per se. So my question is, is  
6 that something you envision each division still continuing  
7 forward, or that your new department would sort of  
8 facilitate the development of the individual multi-modal  
9 plans, or does that still rest with each mode?

10 MR. WILLIAMS: Each mode has responsibilities  
11 that they need to champion and look after, and I think  
12 that's essential. And so we don't want to change the  
13 approach and the responsibility that our modes have to  
14 really be the primary point of focus on their particular  
15 service area, be it public transit, rail, aviation. But  
16 what we've got to do a better job of is to make sure that  
17 there is a common linkage between all of those groups, and  
18 so what we'll be working on, as I've indicated is, first  
19 and foremost, establishing somebody within the planning  
20 arena, a position within the planning arena that's the  
21 principal point of contact for coordination for multi-  
22 modal planning in the state, and their job is to make sure  
23 that our plans talk to each other, our plans, be it public  
24 transit, rail, highway, establish priorities that may link  
25 to the other modes, and then on the highway side that we

1 can look at those priorities and best understand how we  
2 can be addressing those holistically across the state.

3 So no, I don't see us taking on responsibility  
4 for the individual modal plans that each group is doing,  
5 but we will have a responsibility for ensuring that those  
6 modal-specific plans are developed with other modes in  
7 mind and that our Statewide Long-Range Transportation Plan  
8 is one that captures the goals and the objectives that are  
9 set forth by our specific modal plans.

10 MR. GADBOIS: So if I understand -- and I'll  
11 just repeat in my words and you can tell me I got it or  
12 not -- you're not undoing the silos, you're simply  
13 creating linkages between them.

14 MR. WILLIAMS: Right.

15 MR. GADBOIS: And so my understanding is you're  
16 new to a department, and frankly, all the state  
17 departments are sort of in this boat, that's really having  
18 to look at new ways of doing its business, and  
19 particularly because money simply isn't there to do  
20 business the old way. Right?

21 MR. WILLIAMS: Right.

22 MR. GADBOIS: And so if you will, because we're  
23 sort of in this business right now of trying to figure out  
24 where we're going to focus our activities, so help me  
25 understand where you think you're going to make the make

1 the most bang for your buck in your time and how we can  
2 help with that.

3 MR. WILLIAMS: Well, I'll say two things in  
4 response to your comments. You know, money is a driving  
5 force and an important consideration, trying to do more  
6 with less, we hear that all the time, but I would say,  
7 too, that there's a certain amount of public expectation  
8 out there that we as a department do a better job of  
9 multi-modal planning. If you look at any of the reports  
10 that have been issued, be it Sunset Commission reports or  
11 strategic plans or Senate Bill 1420, they've all  
12 highlighted the need for us as a department to be more  
13 comprehensive in our plans.

14 MR. GADBOIS: And sorry to interrupt, but I  
15 didn't mean to suggest that it's just money going down.  
16 There's money out there, it's just coming in in different  
17 streams. Right? The toll, and private investment in  
18 infrastructure is increasing, value capture and some of  
19 the new tools are doing well. I'm not suggesting it's  
20 just a matter of dwindling money and doing more with less  
21 only, but it's doing radically different because the money  
22 is different.

23 MR. WILLIAMS: We're having to rethink  
24 everything that we're doing. But regardless of the  
25 financial constraints that we as an agency are facing, and

1 it's across the nation, there's also a public expectation  
2 that we heard, that's been articulated to us by the Sunset  
3 Commission and the legislature and our own internal  
4 studies, our own strategic plans, that we've got to do a  
5 better job of linking our silos that are all planning  
6 related so it's more comprehensive. So that's what we're  
7 trying to achieve.

8 MR. GADBOIS: Bang for the buck and where can  
9 we help.

10 MR. WILLIAMS: Where you all can help is to  
11 give us the specific feedback from you all as a committee  
12 on what you all feel like priorities should be as we go  
13 through this multi-modal process. What are key  
14 performance measures that you all see, not just for your  
15 own mode but -- and this is where it's really important  
16 for us as an organization, is what are good common  
17 performance measures that we can be looking at that would  
18 go across various modes of transportation, such as average  
19 vehicle occupancy or the average passengers traveling  
20 through a particular corridor, what would be your  
21 priorities as a committee in the way of common performance  
22 measures.

23 I think that's one of the first objectives  
24 we're going to be looking at this summer is mapping out  
25 that list of performance measures and how we can begin to

1 integrate those into a plan, and so that's a very  
2 important priority for us.

3 MR. GADBOIS: He's singing your song.

4 MR. WILLIAMS: Dr. Abeson, if you'd like to sit  
5 down and talk about performance measures, I certainly  
6 would be happy to do that.

7 MR. ABESON: We'll enjoy having those  
8 conversations perhaps as early as this summer.

9 MR. WILLIAMS: I would be glad to do that, very  
10 much so.

11 MS. BLOOMER: I guess just a followup question,  
12 before we get to the performance measures, is there going  
13 to be sort of a discussion about what the overall state  
14 vision is as it relates to mobility, and then linking the  
15 performance measures to that versus, I guess, the five  
16 current goals: to improve air quality, leverage the state  
17 resources, there's a couple of others. But sort of before  
18 setting the performance measures, establishing what the  
19 overall mobility goals of the department are.

20 MR. WILLIAMS: Well, the department has adopted  
21 a new set of goals for statewide that was recently adopted  
22 by the commission which is addressing safety, improving  
23 connectivity between communities, and then responding to  
24 helping to reduce congestion, and I'm going to pull a Rick  
25 Perry and say there was one more and I can't remember it

1 right now.

2 (General laughter.)

3 MR. GLEASON: Best in class.

4 MR. WILLIAMS: What's that?

5 MR. GLEASON: Best in class.

6 MR. WILLIAMS: Best in class state agency.

7 Who was it, was it Santorum or whoever that was  
8 throwing out, making suggestions during the debate?

9 MR. GADBOIS: Ron Paul.

10 MR. WILLIAMS: Ron Paul, yes. Thank you, Mr.  
11 Paul over here.

12 (General laughter.)

13 MR. WILLIAMS: But, you know, those are pretty  
14 broad goals, and so there's a lot of latitude within those  
15 to achieve that, but I think certainly the connectivity,  
16 all four of them have got elements that go across  
17 different modes. And I think from a best in class state  
18 agency, certainly doing an effective job with our multi-  
19 modal long-range plan is essential for that. Keep in  
20 mind, I think TxDOT did our first long-range  
21 transportation plan a couple of years ago that you would  
22 have to go back to the early >90s before there was a  
23 previously adopted long-range transportation plan. So it  
24 was a big step forward to actually have a plan.

25 I think now what we're really seeking out to do

1 is to make that plan something that is looked at as a best  
2 in class, statewide, multi-modal transportation plan. I  
3 know that's certainly the objective that Phil has set out  
4 and laid out for us to work to achieve and what we've got  
5 to accomplish.

6 MS. BLOOMER: Are there any other questions?  
7 If not, thank you, Marc, and I think, like the committee  
8 said, we're here to help, just let us know what we can do  
9 to assist you.

10 MR. WILLIAMS: Appreciate your time this  
11 afternoon. Thank you all very much.

12 MS. BLOOMER: We'll go ahead and move on to  
13 item 4 which is Review and comment on the TxDOT Rural  
14 Transportation Plan.

15 MR. GLEASON: I'll introduce this and then ask  
16 Jonathan Brooks to come on up and make this presentation.

17 The department is in the process of putting  
18 together a long-range Rural Transportation Plan that is  
19 intended to complement the recently adopted Long-Range  
20 Transportation Plan. I think the conversation has been  
21 that the recently adopted Long-Range Transportation Plan  
22 needed some more details on the rural areas. And so  
23 there's an effort going on right now to do just that, and  
24 we engaged TTI toward the end of last calendar year to  
25 help us pull together the rural transit portion of that

1 plan, and we sent them out to work with each rural transit  
2 district in a consistent fashion to try and develop a  
3 consistent amount of information across all 38 rural  
4 transit districts in the state.

5 In the past these kinds of efforts have  
6 typically resulted in sort of a hit-and-miss from the  
7 standpoint of participation and hit-and-miss from a level  
8 of detail, and so we at least wanted to establish a basic  
9 level of detail that was consistent among all of them.

10 So Jonathan, why don't I turn it over to you  
11 and you can run through quickly what you have found, and  
12 then we can talk some more.

13 MR. BROOKS: Excellent. Thank you, Eric. And  
14 for the record, Jonathan Brooks. I'm an assistant  
15 transportation researcher with the Texas Transportation  
16 Institute, and I work with Linda Cherrington and several  
17 co-workers you're probably familiar with in the Transit  
18 Mobility Program. We were happy to assist TxDOT PTN to  
19 generate information in what we feel is an innovative and  
20 a very rapid way. So with that, I'll go ahead and begin.

21 As you're already aware, there are 38 currently  
22 operating rural transit districts in Texas, and they vary  
23 in size and shape and they vary in demographics, and they  
24 vary in their types of services, and so our challenge was  
25 to, with PTN, develop a process. And so what we decided

1 to do to reach out to these 38 operators was to pursue a  
2 course focusing around both a visioning forum to gather  
3 information and partner with that an online questionnaire,  
4 and to communicate with the districts through a series of  
5 three webinars, and each with a slightly different focus:  
6 one more on operations and the introduction to what the  
7 rural plan is probably going to include and what our goals  
8 of the effort were; and then the second one more on  
9 capital and the impact of changing your types of service  
10 over 25 years and what that may mean for facilities and  
11 other needs, vehicles; and then to summarize that.

12 And so that was the overview of the process,  
13 and we've just really recently concluded and our  
14 information, as I'm going to share with you briefly, is  
15 now in the hands of TxDOT's consulting team, led by  
16 Delcan, and they're drafting that plan for the TxDOT TAC  
17 as we speak.

18 Our work, TTI and TxDOT, we first had to  
19 generate some baseline information, and in the past this  
20 is the kind of analysis that was done for any kind of past  
21 long-term work, where you took the basic information you  
22 already have, you have records of miles and vehicles and  
23 operating expenses and you project that over time based on  
24 population change, and you have inflation information. We  
25 added to that much more thorough analysis on capital needs

1 and even how operations may change, and that was the  
2 purpose of the webinars.

3           So you see here the product contains  
4 projections of various types of facilities, the number of  
5 them, the approximately size that an agency foresaw  
6 needing over the period, and we developed ways to apply  
7 inflation, whether it was a vehicle inflation rate or  
8 operations itself or types of facilities. They have  
9 different types of cost and different types of change over  
10 time. And technology is another big aspect that will  
11 probably play an increasing role in the effectiveness of  
12 rural transit.

13           So this is an overview, a little animation of  
14 the projections process. What you're seeing is what TTI  
15 and TxDOT did prior to the webinars to generate a baseline  
16 of status quo, assuming 2011 exists until 2035 with  
17 population change, and what we did with our involvement is  
18 add to that. We added a change in what the operators saw  
19 as are they going to operate fewer or more hours each day  
20 or different days of the week, and adjusting for that.  
21 And so that changes how you change your revenue miles over  
22 time.

23           And these circles off to the right -- they'll  
24 be in your packet, I hope, this diagram -- explain how we  
25 incorporated the visioning effort. We really strove to

1 develop a way to include practically and uniformly the  
2 response from the rural operators. And we had a varying  
3 response. We did, in the end, get a response from about  
4 three-quarters of the operators, and most of those  
5 responses were quite thorough, and so it was new level of  
6 information that TxDOT had never had, or TTI, and so this  
7 is a brand new process.

8 As I just already mentioned, the information we  
9 gathered we integrated into those projections and we  
10 adjusted the vehicles based on the new revenue miles we  
11 were looking at and change in facilities. We identified a  
12 way to approximate when over 25 years they're going to  
13 build a facility based on a population change number or a  
14 change in how they see their service changing or their  
15 hours, and so at what point do you really think you're  
16 going to need that facility. And then technology.

17 These next few slides are a summary of peer  
18 groups, so we took the results from the few that were non-  
19 respondents and we have existing peer groups that are  
20 already used in the state. And if you need more  
21 information, I'm sure Eric or Kelly will be happy to  
22 provide that to you.

23 Basically, overall the response was that the  
24 peer groups saw either really no change in their days of  
25 service, or some of the peer groups especially saw one to

1 two days change, and that has a lot to do with what they  
2 see as their key services in the future or markets, or  
3 really just the need. And that also related to days of  
4 the week or hours of the day.

5 In general, operators did say that they would  
6 like to operate, even more than days of the week, they  
7 would like to operate a bit longer hours. And this is not  
8 early A.M., usually the start early enough because of  
9 medical trip reasons or that's what they currently do. So  
10 the vision was for staying up a bit later and making maybe  
11 some different kinds of trips possible because of that.

12 MR. ABESON: Could you just explain what's a  
13 peer group?

14 MR. BROOKS: Good question. A peer group, they  
15 have 38 operators, there are five peer groups, and these  
16 were identified several years ago as part of a TxDOT  
17 research project that used population information,  
18 demographics, service characteristics, whether or not a  
19 rural operator was near the border or near a metropolitan  
20 area, and grouped the 38 operators. Some of the peer  
21 groups have more members than others because some have  
22 more similar characteristics. There are some more unique  
23 operators.

24 Again with the peer groups, if you take that  
25 days and hours change and look at it over 25 years, what

1 do you need on an annual basis if you look at it in terms  
2 of revenue miles to achieve that overall hours and days.  
3 And so we weren't asking a rural operator to try to tell  
4 us what percentage each year they're going to grow their  
5 miles. That's a difficult question to answer, and a small  
6 percentage over time makes a big difference, and we  
7 decided to ask: Well, in terms of 2011, what was your  
8 particular service like, in 2035 what do you envision your  
9 service will be like? And then using our own means and  
10 involvement through the webinars, demonstrating to the  
11 operators and to TxDOT and to ourselves what that can mean  
12 in terms of costs.

13 Overall, this slide here is types of services.  
14 You have demand response which is currently and will  
15 continue to be the staple type of service, that's the  
16 curb-to-curb, you call in advance. Medical trips are  
17 important to many operators, will continue to be.  
18 Flexible transit routes, those are fixed time stops at bus  
19 stops but the vehicle can also go fulfill some demand  
20 response type trips. There's a lot of interest in those  
21 over time. Indeed, some rural operators already operate  
22 some routes like that. And then fixed local routes,  
23 intercity routes and commuter services. Those really come  
24 into play for certain rural operators that have a unique  
25 relationship with their region. This is the projected

1 service mix and this is more for informational purposes.  
2 It does not feed directly into the cost projections as the  
3 days and hours do.

4 All of those have an impact on what your  
5 capital needs are. If you're an operator whose population  
6 is going to grow 30 percent and you are going to operate a  
7 few more hours a day, your service is going to increase  
8 that much more, and eventually it's responsible planning  
9 to predict some investment in administration or  
10 dispatching capability, vehicle maintenance facilities, or  
11 if you're going to change from operating demand response  
12 to a more fixed base system, in some areas you should at  
13 least pursue funds for some bus stops or public  
14 information, the technology to operate that different kind  
15 of service.

16 So these are the bullet points summarizing the  
17 capital implications of these services changes. Overall,  
18 there's a lot of interest in increased passenger  
19 facilities. That's directly related to the service times.

20 And technology is seen more and more as an influential  
21 partner, especially in a rural area where trips are booked  
22 often in advance, and the more rapidly an operator can  
23 respond to a cancellation or to a change in the  
24 transportation network using navigation equipment, you're  
25 that much more efficient, and so it's important to stay

1 reasonably close to the cutting edge.

2 In conclusion, of course, for the long-range  
3 plan for the statewide, the Texas Rural Transportation  
4 Plan was to look at what does this look like as far as the  
5 results. And for the plan it was focusing on the capital  
6 and operating expenditure forecast. Overall, in summary,  
7 the rural population is going to continue to grow in  
8 absolute numbers, but as a portion of the state it's going  
9 to decrease. It's not that there's fewer people out  
10 there, it's just in comparison they may seem smaller.  
11 That also varies a great deal. West Texas, where from I'm  
12 from out by Amarillo, you have an absolute population drop  
13 in a lot of areas, and so what that means is you have  
14 aging in place where the population is older and it  
15 actually has more and more need inherently for rural  
16 transit. In other areas where the population is  
17 increasing absolutely and they're near an urbanized area,  
18 well, they might need to think more creatively if they're  
19 going to offer some commuter services. It does found.

20 But what we found was that in 2011 the annual  
21 revenue miles will approximately double, and that's due to  
22 population and service change, and will be approximately  
23 62 million miles annually, and over the period that's  
24 about a billion revenue miles for rural transit only.  
25 That results in operating expenses changing from about

1 currently last year it was about \$82-1/2 million to  
2 approximately \$400 million. Now, it's not just because of  
3 service change, that's a lot of inflation influence there.

4 In fact, inflation is the primary influence. But there  
5 is about a 2 percent annual projected increase in service  
6 itself which impacts the cost, and about \$5 billion over  
7 the period.

8 And the vehicle fleet statewide to operate this  
9 service means it will change from about 1,600 vehicles  
10 last year to approximately 3,000. That's, again, related  
11 to revenue miles. If, for example, revenue miles were  
12 more and more efficient, which you have to hope that over  
13 time there's incremental increase, better technology, et  
14 cetera, that maybe that fleet won't be quite as high but  
15 we'll still need some significant capital growth. So in  
16 summary, on capital what we found is that over the period  
17 to maintain that fleet, to replace vehicles and to add new  
18 ones for new capacity, we will need about \$645 million for  
19 vehicle capital.

20 The other half of projected capital is related  
21 to facilities, and that is operations and maintenance  
22 about \$200 million. The most significant thing to notice  
23 is the interest in passenger facilities, and really the  
24 question is if we're really making service changes and we  
25 want to be successful in them and operate at a higher

1 level of service for rural operators that are working with  
2 their stakeholders and taking the projected capital needs  
3 for passenger facilities is especially important.

4 Related to that are also passenger facilities.

5 For example, I did some totals this morning just so you  
6 can kind of get an idea that these projections were not  
7 just a percentage of the total, assuming the percentage is  
8 capital, but real facilities. If I find it, I have a  
9 sheet here -- well, I know some of the numbers offhand.  
10 Approximately 2,000 bus stops of various types related to  
11 the facilities, 70 or 80 transit centers. This is  
12 throughout the state, not one operator. But our results  
13 and what will be in the appendices of the plan, which I'll  
14 explain just real briefly in a second, are actual number  
15 of facilities within approximate size, and you can see how  
16 we developed the cost for that, it's nothing secret or not  
17 straightforward, but it was an innovative process.

18 Technology, about \$83 million over the period  
19 and that doesn't seem like a lot of money, but that's  
20 looking at dispatching needs, hardware, computers,  
21 software and online presence which will be more and more  
22 important, online trip planning. That will also increase  
23 the pace you can quickly book a trip, instead of calling,  
24 book it online if you're comfortable with that, which over  
25 time our residents will be more and more comfortable with.

1           So in conclusion -- this is my last slide -- as  
2 I said earlier, TTI and TxDOT PTN have concluded their  
3 work. The information that I've just shared with you is  
4 in the hands of the consulting team, and in the form of  
5 this right here, about 35 pages of what we shared, the  
6 narrative with a statewide view of findings. And this  
7 also includes some look at the regional coordination plans  
8 and what we found there. And the detail when the plan is  
9 published is in this segment, and it will be in the  
10 appendices, 75 wonderful pages of descriptions, a map for  
11 each TxDOT district with a description of each rural  
12 operator that relates most to that district office, and  
13 its individual results. There's actually a table that  
14 would show you for each rural operator how many  
15 facilities, about what size we projected and what cost per  
16 square foot and inflation rate so you can understand what  
17 the results are. The actual plan itself will be very  
18 brief, and that's at the direction of TxDOT TAXPAYER&P.

19           And really, that concludes my thoughts. If you  
20 have any questions, I'll be happy to answer them.

21           MS. BLOOMER: I think before we open it to  
22 questions, Ginnie, after the meeting can we get a copy of  
23 both the presentation and then the wonderful 35 pages and  
24 then the extraordinary 75 pages?

25           MR. BROOKS: Absolutely.

1 MR. GLEASON: Yes. I want to ask Marc a  
2 timetable on the plan coming together for the commission?

3 MR. WILLIAMS: TAXPAYER&P has got a draft of  
4 the plan that they're circulating internally. That draft  
5 will be shared with the stakeholders that have been  
6 involved in the process here within the next -- I think  
7 it's almost imminent that it's coming out, they were  
8 talking to me about printing it, so very soon you'll be  
9 getting an opportunity to see the draft plan, provide  
10 input as stakeholders. Once we address any comments, I  
11 think we're probably looking at going to the commission  
12 for preliminary plan adoption in early summer for the  
13 draft plan, and then it will be out for formal comment,  
14 and then later in the summer, if it's in June when we go  
15 for preliminary adoption, then it will be about August  
16 when we go for final plan adoption. So that could kind of  
17 slide a little bit, but that's the time frame that we're  
18 looking at.

19 MR. SALAZAR: I didn't have any question, I  
20 just had a comment, being that we were one of the 38  
21 transit districts or 39 transit districts that  
22 participated in those surveys and they were fairly simple,  
23 and thanks to TTI for kind of dummifying those down for us.

24 MR. BROOKS: I know Eric and Kelly were both  
25 interested in this process as trying to be innovative, not

1 take a lot of time, because at the start of the year you  
2 have all these conferences and different reporting going  
3 on, and TTI and PTN and the operators are all doing annual  
4 data reviews, and this was forced on us right in that  
5 time, so I'm glad it was a pleasant experience, and we  
6 feel it was like a growing process. We hope the  
7 participants, not just TTI and TxDOT, really learn from  
8 it. And it's something we may be able to repeat in the  
9 future -- just a little plug.

10 MR. GADBOIS: J.R., we know it isn't dummifying  
11 it down, what you really mean to say is thank God for not  
12 spending too much of my time answering questions so I can  
13 get on with the business of providing service.

14 So I've got about three questions, and Marc,  
15 maybe for you, Eric, they may be for you, or they may be  
16 for you, Jonathan.

17 So the first one is help me remember what's the  
18 problem we're solving here with this rural transit plan.

19 MR. GLEASON: I'll take that one. The feeling  
20 was, Glenn, when the department completed its work on the  
21 currently adopted Statewide Long-Range Transportation Plan  
22 that it was -- I'll use the word thin -- it was thin in  
23 level of detail for the rural areas of the state, and so  
24 the department embarked on a complementary effort to  
25 develop a long-range Rural Transportation Plan which will

1 complement that Statewide Long-Range Transportation Plan.

2 So more details on all modes for the rural areas of the  
3 state.

4 MR. GADBOIS: Okay. And so I'll just ask the  
5 next question directly because that doesn't help me get to  
6 understand what I really want to get at which is why did  
7 we choose to look at systems and operations as our middle  
8 of analysis. And the thing that kind of calls this to  
9 mind for me is the assessment that we have \$250 million in  
10 need for passenger facilities. I don't have any doubt  
11 that the people that you talked to, the operators, said we  
12 think this is important and we want to see that and that's  
13 basically the number we think in aggregate is a real  
14 number. Don't disagree with that at all.

15 To the extent that I've looked at analysis of  
16 facilities, there is often a very big difference of  
17 opinion, though, between what passengers and users of a  
18 transit system might want and what an operator of a  
19 transit system might want. I'm not saying one is right or  
20 wrong, I'm just wondering the rationale for your level of  
21 analysis.

22 MR. GLEASON: Well, let me make sure I  
23 understand. Are you saying that when it comes to  
24 passenger facilities, that what users and passengers want  
25 may not be what the operating agency may think they want?

1           MR. GADBOIS: That may be a bad example that's  
2 losing a good argument -- it may be a bad argument too --  
3 but I'm just using that as an example of where the two  
4 different levels of analysis will come up with two very  
5 different results. And what I'm really wondering is,  
6 because now we've got a rural plan that's working its way  
7 through and there were some intentional, I hope, choices  
8 made on what that level of analysis was to create that  
9 plan, and I'm just looking for the rationale.

10           MR. GLEASON: Well, I think to a certain extent  
11 I would describe this as an effort that has us crawling  
12 before we can walk, and I'll be the first to say there can  
13 be a lot more done to look at the numbers we came up with  
14 and what assumptions went into them.

15           You know, on the highway side what we have is  
16 quite a bit of work in these areas about the very specific  
17 highway projects. We have nothing comparable to that from  
18 a process and longevity standpoint, and so I'm looking at  
19 this as a starting point, Glenn. I very much wanted to  
20 engage the rural transit districts in this analysis, that  
21 was a choice I made, as opposed to a different group,  
22 because I wanted them to, for the first time, consistently  
23 as a group at least put down on paper what they think the  
24 future looked like. And you know, we're going to get a  
25 little more of a taste of needs when we have the next

1 presentation on the regional coordination plans and what's  
2 going on there, and I've always felt that when we get to  
3 the end of the process we'll have a lot more than we've  
4 ever had before.

5           And there may be a different way to slice it.  
6 I think what you're suggesting is totally reasonable,  
7 there's a different way to come at these issues that might  
8 result in a different answer, absolutely, but we just made  
9 some choices at this point in the process to pull from the  
10 current operating agencies what they felt the future  
11 looked like.

12           MR. GADBOIS: And that's completely fair, I'm  
13 not suggesting bad or good.

14           MR. GLEASON: I know. Yes.

15           MR. GADBOIS: I'm just wanting to make sure I  
16 understand.

17           And so to get to the last question, I would  
18 hope that we put on our longer term calendar and agenda  
19 looking at refining this in terms of the regional  
20 coordination planning that's going on and maybe even  
21 helping the systems to do some customer analysis to really  
22 figure out what people are wanting, and we really do start  
23 seriously and with some level of consistency supporting  
24 that building of a robust plan that at the same time  
25 treats it simply, because these guys are out providing a

1 key service and they don't have much more time to take  
2 breaths, much less anything else.

3 MR. ABESON: First, I'd like to endorse what  
4 you did, Eric. I think particularly involving J.R. and  
5 his colleagues, I think, is exactly the right thing to do.

6 My concern with this is I don't think it's a  
7 plan. I look to Marc as a planner to really make the  
8 fundamental statement as to whether it is. This is an  
9 estimate of need many years down the road, not allowing  
10 for innovation, not allowing for creativity to come into  
11 play, not allowing, as you said, Eric, for some of the  
12 hopefully gained benefits of regional coordination. So  
13 for me, all this is is a very rough estimate of dollar  
14 needs. Yes, we have capital facilities, we have  
15 technology, but the technology really isn't defined, we  
16 really don't know what's going to happen to the market  
17 from a financial perspective in technology, so I'm a  
18 little concerned about calling it a plan, and at the same  
19 time I'm concerned, again, about this, Aplan@ moving  
20 forward and you beginning to do a whole other plan. How  
21 do these things mesh?

22 MR. WILLIAMS: I think Eric said it best, and  
23 I'll come over and join you at your podium here. TxDOT is  
24 crawling before we walk in a lot of these areas, and  
25 you're absolutely right, it's an identification of needs

1 and it's a start.

2 MR. ABESON: It's an estimate of need.

3 MR. WILLIAMS: Estimated. And the TxDOT 2035  
4 report had hundreds of billions of dollars of worth of  
5 needs, and that's really where we have to take the next  
6 step from a planning standpoint is beginning to establish  
7 are these needs a good assessment, and then how do we  
8 begin to prioritize those and how do we begin to mesh  
9 those with the other priorities that are shared amongst  
10 our other modes, and can we find opportunities for  
11 commonality between those things.

12 Don't judge us on where we're at today, judge  
13 us where we're trying to go, and I think there's a lot of  
14 things in the Rural Transportation Plan that I look at and  
15 say, Geez, could we have done this a little bit better.  
16 But recognizing that this is a start and I think that we  
17 want to articulate that in the draft document that this is  
18 a start, it's a continued iteration of where we want to go  
19 as an agency and trust that you as stakeholders and we as  
20 our selves will hold ourselves accountable for taking the  
21 next step to improve things.

22 I think one of the things that I kind of try to  
23 remind people of is that we're not as advanced as an  
24 agency yet where we're able to take the top ten that come  
25 out of this and automatically make funding decisions out

1 of it, and to kind of give people a little bit of in a  
2 sense that's good news because if it's not the plan the  
3 way that we want it, we don't need to be making funding  
4 decisions. But it is beginning to point us in the  
5 direction of identifying needs, and I hope that as things  
6 evolve we're going to doing a better job of better  
7 coordinating and making a plan.

8 MS. BLOOMER: And just sort of to build on what  
9 Glenn and Al have both said, I think it's a good first  
10 step, it gives us sort of something to begin the  
11 conversation, but I think one key thing it's missing  
12 really is, again, back to the vision: What do we as the  
13 State of Texas see public transportation looking like in  
14 25 years or in 2035? And then from the demand side, what  
15 does the service look like. Because I noticed some  
16 providers currently provide five days a week service and  
17 they're only interested in going to six, but what we're  
18 hearing from the customer is we want seven days a week, 24  
19 hours a day. And that may not be reasonable, but as a  
20 state we haven't established a vision for what that  
21 service looks like. Is it just 100 percent coverage and  
22 it doesn't matter if it's one day a week or 24-7, we've  
23 made that sort of benchmark as a state, but what are we  
24 trying to achieve. And then relating the costs to get  
25 there to come up with what that cost is, and we've sort of

1       come at it another way, but I think it's a good first step  
2       to give us an idea of what that universe might look like.

3               MR. BROOKS:  If I may, Madam Chair, I would  
4       agree and say that our intent was a first iteration of a  
5       rural plan there has been a lot of what are we trying to  
6       get out of this process, and the information I shared  
7       today is a very specific part of what will be in the plan  
8       for rural public transportation, but in fact, as my co-  
9       worker, Meredith Highsmith will speak about, it also  
10      includes in the same narrative about rural public  
11      transportation, discussion of the regional coordination  
12      plans and what they're findings were and what the regions  
13      themselves identified.

14             And I'd like to add also that in the course of  
15      this process we did review briefly some of the plans that  
16      have been created, for example, by the Houston-Galveston  
17      Area Council with its five rural counties that are part of  
18      rural operators, and we reviewed those plans to see if  
19      they had identified facilities and we could include those.

20             So to the extent we could, we did leverage what's already  
21      been planned, but it is the first iteration and we hope a  
22      good start.  And the public review, we have to rely on  
23      that and hope the public review is as effective as  
24      possible to provide that feedback and make sure we're on  
25      the right path, and the next time around we can add to the

1 process.

2 MR. GADBOIS: Well, just one last, the issue of  
3 innovation, I am convincingly, with experience, getting  
4 more and more free market -- which is scary for somebody  
5 often accused of being a Communist or a Socialist --

6 MR. ABESON: Who might that be?

7 (General laughter.)

8 MR. GADBOIS: But what I would really love to  
9 see is -- you know, visions come and go, but to the extent  
10 that you're showing me a way to allow folks to innovate  
11 and build off of that innovation, to learn from each  
12 other, to experiment maybe a little bit, try something a  
13 little bit new, and know whether it succeeds or fails,  
14 creating that medium or atmosphere is, in my mind, as  
15 strong as the best vision you could possibly come up with.

16 And I really don't see either one of those ends of the  
17 spectrum here, but I hope you get there. Thank you.

18 MR. UNDERWOOD: Well, one comment that I  
19 have -- and correct me if I'm wrong, Eric -- is a good  
20 thing about identifying the needs as we grow, as we stand  
21 before the legislature in the next biennium, at least we  
22 can identify that now and say this is what we're going to  
23 need in the future, instead of standing before them and  
24 going give us more money, and they go for what, and we go,  
25 well, trust us. This at least is showing this is what we

1 need it for, here's where we're moving, and if we don't  
2 get on some sort of path of increase, we're not going to  
3 get there by 2035. I mean, am I correct in that  
4 assumption as well?

5 MR. GLEASON: I think so. I mean, this is an  
6 industry from the state perspective that has seen almost a  
7 50 percent decline in its buying power in state funding,  
8 and these folks have still managed to expand service.  
9 Granted, there's been some federal expansion and there's  
10 more local revenues coming in than ever before, and what  
11 this analysis does, it assumes that everything ratchets up  
12 on an annual basis based on inflation, so that alone is a  
13 big number. So we might have our arms around what the  
14 right numbers are or close to the numbers. They're  
15 certainly bigger than I think anyone has seen before for  
16 rural public transportation. Whether we've got the vision  
17 yet or how we get there yet, we've got a lot of work to do  
18 on that.

19 And I think that the next presentation will be  
20 another chunk of information for you to kind of take in,  
21 and I think after you put these two together, we'll really  
22 have a place to start with your principles to move toward  
23 that vision or where you want to take it.

24 MS. BLOOMER: Thank you, Jonathan.

25 MR. BROOKS: Thank you.

1 MS. BLOOMER: Okay. We'll go ahead and move on  
2 to agenda item number 5, Discussion on summary of regional  
3 coordination plans.

4 MR. GLEASON: All right. We, as you know, for  
5 the last five years, or six years actually now, the state  
6 has been funding an activity in each of the 24 regional  
7 planning areas of the state that is both state-mandated as  
8 well as federally required for several federal programs,  
9 and it's the regional public transportation coordination  
10 planning. I think the first set of plans were done in  
11 December of 2006, they were all complete by then, and we  
12 have just completed the first complete update of all those  
13 plans, or else we're very close to completing that, and I  
14 think we have 20 of the 24 have finished them up. And  
15 what we asked TTI to do was to look across those plans as  
16 they were completed and to try and draw from those plans  
17 commonalities and uniqueness, if you will, so that we  
18 could understand at the state level some of the general  
19 direction that we needed to go. And so I think of it as  
20 almost writing an executive summary, if you will, to the  
21 243 plans is where we're looking to go with this kind of  
22 information.

23 So, Meredith, I'll turn it over to you and your  
24 presentation.

25 MS. HIGHSMITH: Thank you.

1           Good afternoon. I'm Meredith Highsmith. I'm  
2 in the Transit Mobility Program at Texas Transportation  
3 Institute, and we worked with TxDOT to review the regional  
4 coordination plans, and so that's what I'm here to talk to  
5 you about today.

6           Just a quick outline of what I'm going to  
7 cover, and as Eric said, it's kind of essentially an  
8 executive summary of all the information that we found in  
9 the 20 plans. We're going to talk about some successes,  
10 the needs assessment, challenges, best practices, trends  
11 and innovations, and some considerations for future plan  
12 updates. And you'll note throughout the presentation I  
13 tried to capture some of the quotes in orange from the  
14 plans so that you could get the essence of what it was  
15 they were writing about.

16           So what were we looking for? I kind of  
17 overviewed some of this information, but we really wanted  
18 to know common themes and general approach, how did the  
19 regions approach this second round of plan updates,  
20 essentially, and what were they looking at and what did  
21 they go through when they were updating the plans.

22           So just a quick high level overview. By the  
23 numbers, 20 regions did submit plan updates, however, as  
24 of Friday, it is now 21, so I have another plan to review  
25 tonight. All of the regions used surveys as a tool to get

1 updated information, so we'll talk about that here in a  
2 minute and what that looked like.

3           Fifty percent of the regions -- and this was  
4 our largest category -- listed lack of awareness as a  
5 challenge and increasing public awareness as a need which  
6 I think is very interesting considering the second round  
7 and some of the things that they're now beginning to  
8 grapple with. And one of the regions listed reducing  
9 duplicative services as a continuing need. So that kind  
10 of tells us where we're going here with this second round  
11 of updates.

12           So the good news. There have been great  
13 strides in the pursuit of regional coordination. As I  
14 mentioned in the previous slide, one region listed  
15 reducing duplicative services as a continuing need. So  
16 the regions are really starting to talk to each other.  
17 The agencies within the regions and the transit providers  
18 are beginning to work and coordinate transportation for  
19 the betterment of the region.

20           Within the plans there was a representation  
21 from a myriad of agencies, so in this case we didn't just  
22 see the transportation providers, we saw representation  
23 from health and human services providers, from non-  
24 traditional partners which I'll talk about in a minute, so  
25 pretty much everybody kind of came to the table and they

1 were all involved. They definitely built on the plans  
2 from 2006, and in some cases the regions would list the  
3 challenges and the needs from the 2006 plans, and then in  
4 this recent iteration listed what they did, how they  
5 tackled that challenge. That was a really interesting  
6 facet captured in some of these plans. And then, of  
7 course, they began laying the groundwork for future  
8 coordinated efforts.

9           So let's talk about some of the successes  
10 encountered from this round of plans. Many of the regions  
11 began to really outline work plans for the next round of  
12 work, and so that was a very positive thing that we  
13 encountered in several of the plans because it laid the  
14 ground for concrete work to be done in terms of  
15 coordination within the regions. Several of the regions  
16 worked very diligently at breaking down jurisdictional  
17 barriers, and again, like I said, beginning to coordinate  
18 amongst themselves with the transit in the regions.

19           Non-traditional partners were one of the things  
20 that we saw more often than not in these plans. There  
21 were regions that brought high level educational  
22 institutions to the table, some of the regions even  
23 brought representatives from chambers of commerce, and so  
24 they're really looking at transit and its boost on the  
25 economy as well. So it was very interesting to see some

1 of the partnerships that were formed this round.

2 And then, of course, establishing a brand.  
3 Many of the regions worked at really making themselves  
4 known within the community. Perhaps they were wrapping  
5 buses or coming up with a logo or even designing a website  
6 that provide easy access to information. Many of the  
7 regions worked at establishing a brand.

8 So next we'll talk about the needs assessment  
9 and really get down to it. Interestingly enough, my  
10 colleague, Jonathan, already brought up a lot of the  
11 issues in his presentation, and then Glenn, of course,  
12 began to touch on some of them, so you'll see some of  
13 these mirrored here.

14 So just in terms of the regions' approach to  
15 the needs assessment, as I mentioned, all of the regions  
16 used surveys which basically meant they're not only  
17 listening to the stakeholders in the region but also to  
18 the public. The transit need index was a new approach  
19 that we saw this round. In 2006, many of the regions did  
20 look at an analysis of data, but in this case several of  
21 the regions actually called out the transit need index  
22 specifically, and what they were looking at there. Public  
23 meetings and workshops, of course, were a way to garner  
24 information, and then some of the regions used focus  
25 groups. Interestingly, one of the regions actually used a

1 focus group that was targeted towards the veteran  
2 population which was a great way to get one of the under-  
3 served populations involved in regional coordination.

4 Just real briefly, I'm going to talk about the  
5 transit need index just to give you guys a description of  
6 what that is. It's used to determine areas in a region  
7 with the highest need for transportation. It's based on  
8 data, both economic and socio-demographic. It's similar  
9 to the Census data analysis in that it does use that data.

10 This one is just a sample transit need analysis that TTI  
11 conducted for public transit services up in North Texas,  
12 and it includes approximately ten categories of data  
13 overlaid in order to determine where the transit need  
14 lies. The highest needs are captured in red, lower needs  
15 in dark green.

16 So getting down to the nitty-gritty, these are  
17 the needs that were identified by regions, and I should  
18 note as a caveat here, these were the needs that were  
19 directly called out in the plans. Many of these regions  
20 listed these as issues or challenges but didn't  
21 necessarily call it out as a need, so we actually saw  
22 these at higher levels across the regional plans, just for  
23 your information.

24 The top was, of course, to increase the  
25 awareness of available services, and second to that,

1 interestingly, was to provide more commuter and employment  
2 shuttles. We not only saw this in where you would think  
3 would be an urbanized area but mostly in the rural areas.

4 We saw places that had areas that were major employers  
5 and people wanted access to those places and how do we get  
6 there.

7 Another regional need that we saw quite  
8 frequently was to coordinate interregional trips. So here  
9 we have our 24 regions, we're coordinating within the  
10 regions, but many stakeholders and the public expressed a  
11 need to travel from within their region to another region.

12 So how do we go about better coordinating amongst the  
13 regions. Now, granted, in West Texas they have kind of  
14 formed a coalition that meets somewhat regularly to  
15 discuss the need, but perhaps now it's time to look at  
16 interregional coordination across the state.

17 Increased span of service and affordable  
18 transportation in rural areas, these are both things that  
19 we saw from Jonathan's presentation. Many of the  
20 stakeholders, and of course, the public are basically  
21 saying we need late night service and overnight service  
22 for second and third shift workers, especially in rural  
23 areas, and then weekend service. A lot of people are now  
24 starting to get medical appointments even on Saturdays, so  
25 how do they, again, access those.

1           So next we'll talk about some of the challenges  
2 that create obstacles in addressing the needs in the  
3 regions.

4           MR. UNDERWOOD: Meredith, can I ask a question  
5 on that back slide there?

6           MS. HIGHSMITH: Go ahead.

7           MR. UNDERWOOD: Where the 30 percent it said  
8 increased affordable transportation in rural areas and  
9 increased rural areas, do you think some of that could  
10 even relate into number one, that it's already there but  
11 people just don't realize it?

12           MS. HIGHSMITH: Exactly, exactly. And so that  
13 was one of the things that wasn't called out specifically,  
14 but you can read into that in the plans. Many of the  
15 regions basically said we have all these services, we're  
16 offering them, but people don't know about them. And so  
17 it's kind of a vicious cycle because then ridership is not  
18 as high as they would like and maybe they have to  
19 discontinue or reduce the level of service offered.

20           MS. BLOOMER: And just to add, I think that's  
21 part of it, but once you get over the knowledge of the  
22 services available, what we've heard a lot, too, in our 16  
23 counties is even when the fare is relatively low, there's  
24 still an issue of being able to afford the fare, so if the  
25 fare is \$2.50 or \$5 round trip. Or we're hearing from a

1 lot of the health and human services folks that come to  
2 our coordination meetings, they still can't afford it,  
3 their clients cannot afford the fare. And so that's one  
4 barrier we're trying to figure out, how do you overcome  
5 that when it's already a very subsidized low fare.

6 MS. HIGHSMITH: Right. Very good point.

7 MR. UNDERWOOD: Thank you. I didn't mean to  
8 interrupt.

9 MS. HIGHSMITH: No, not at all. Good question.

10 So regional challenges. These are the top five  
11 challenges that we encountered throughout the majority of  
12 the plans. I will say that the top three listed on this  
13 list were actually ones called out explicitly by the  
14 plans, the lower two were challenges listed because we did  
15 not find them in the plans, so there's a differentiation  
16 there. The top three being: coordination with medical  
17 transportation program; interregional connectivity, as I  
18 discussed earlier; and then just the awareness of  
19 available services.

20 What was really lacking in the majority of the  
21 plans was addressing transportation services for veterans,  
22 specifically, and while many of the regions did call out  
23 other under-served populations, including those with  
24 disabilities and low income and the elderly, there was  
25 still some it was almost as though it was assumed in some

1 of the plans that there were services designed for those  
2 groups. And so it would have been nice to see more of  
3 that just in detail in some of the plans.

4 MR. GADBOIS: Meredith, on the top five they're  
5 not ranked order. Right?

6 MS. HIGHSMITH: No. These are in no particular  
7 order. Thank you.

8 MR. ABESON: Meredith, I'm also apologizing for  
9 interrupting you.

10 MS. HIGHSMITH: No problem.

11 MR. ABESON: How extensive was the  
12 transportation services for veterans challenge across all  
13 the regions that you looked at?

14 MS. HIGHSMITH: I would say 18 of the 20  
15 regions reviewed did not address transportation services  
16 for veterans.

17 MR. ABESON: Eighteen of the twenty.

18 MS. HIGHSMITH: Correct.

19 And then, of course, performance measurement --  
20 and I'll talk about that here more in just a minute. So  
21 in terms of performance measurement, the majority of the  
22 regions documented goals and objectives -- which is an  
23 important facet to have when you're developing these  
24 plans -- but few regions listed performance measures. In  
25 fact, only four had actual performance measures in order

1 to document the progress. So it's really important for  
2 these regions to realize that this is a necessity when  
3 developing plans and that the purpose of the measurement  
4 should be measured by all the stakeholders. And so I  
5 think it would be important for folks to understand why  
6 it's a necessity.

7 And of course, performance measures need to  
8 align with the expected outcomes of the region, so if the  
9 region can highlight what the potential outcomes are from  
10 coordination, then, of course, performance measures can be  
11 developed. And then, of course, it aids in demonstrating  
12 success once the plan has been implemented. How do we  
13 know that we've gotten there if we don't have performance  
14 measures?

15 So in this next set I'm going to talk about  
16 some best practices that we found, as well as trends and  
17 innovations. Several of these we've kind of touched on so  
18 I'll try to run through them relatively quickly.

19 In terms of best practices identified,  
20 obviously all of the regions use surveys, so the next  
21 thing was looking at creating a transit need index and  
22 using greater data analysis to be able to determine what  
23 the needs were within the regions, public involvement,  
24 creating expanded and new services, engaging non-  
25 traditional partners. And one thing I wanted to highlight

1 here is that the use of surveys and engaging non-  
2 traditional partners we found went hand in hand with some  
3 of these regions. I think that some of the regions found  
4 it almost a daunting task due to lack of resources, both  
5 staff and otherwise, to undertake some of the needs  
6 assessment. And so interestingly, a few of the regions  
7 partnered with local universities and colleges and some of  
8 the classes there that could offer help, basically for  
9 free, to develop the survey and test the survey so that it  
10 could be more effective for these regions. So in that  
11 case they actually did engage non-traditional partners in  
12 the regional coordination process which was very  
13 interesting.

14 Just some additional best practices, a lot of  
15 the regions did do a great job of keeping goals and  
16 objectives realistic and highlighting the agencies  
17 accountable for accomplishing different tasks within the  
18 region, and as I mentioned previously, several of the  
19 regions had support from economic development  
20 representatives, and so even one of the plans had an  
21 economic development strategy as a part of their update.

22 Just real quickly, one of the best practices,  
23 cohabitating service. One of the examples of cohabitating  
24 service came out of West Central Texas. They basically  
25 said, well, why do we need to worry about some of these

1 boundaries, let's just work and see if we can provide a  
2 truly seamless ride for our customers. And so now in West  
3 Central Texas, customers can stay on a single vehicle when  
4 crossing over service area boundaries. There are no  
5 transfer penalties, not for the customer or for the  
6 agencies involved, and services appear relatively  
7 seamless. So again, they've tackled that.

8 Another best practice, as I mentioned, 45  
9 percent of the regions recognized the need to provide more  
10 commuter and employment services, so it's employer-  
11 sponsored shuttles, these could be express or JARC routes  
12 for any of the regions. And one of the regions partnered  
13 with a local employer, this would be Golden Crescent.  
14 There's a major employer in the region called Inoplast and  
15 basically employees from all over the region need to  
16 access this employer, and so they worked to develop  
17 shuttle service and the employees can now access I think  
18 it's four or five routes from throughout the region, so  
19 over several different counties, and they have service to  
20 two different shift times and Inoplast helps pay some of  
21 the operating for that service.

22 Some of the trends and innovations we saw were  
23 the use of public-private partnerships for services, and  
24 I'll talk about that here in a second, some unique  
25 planning processes. One of the regions had two different

1 committees basically to vet the information for the  
2 regional coordination plan update which seemed to be  
3 relatively effective because it held everybody  
4 accountable. I thought that was an interesting process.  
5 And then specialized travel training, and I'll get on to  
6 that here in just a second.

7 Just another quick couple of innovations that  
8 we found. More of the regions are using public meetings  
9 on a bus, so instead of hosting a meeting at a location  
10 that people have to get to, they are actually physically  
11 driving a bus out to folks to have a meeting. And in one  
12 case it was very successful, they had several attendees  
13 and lots of good feedback, so it was a win.

14 Another region hired a mobility coordinator for  
15 regional coordination, and so that would be different from  
16 a mobility manager in that this person is actually  
17 dedicated to looking at coordination within the region and  
18 bringing all of the partner together to the table to talk  
19 about it.

20 Yet another region worked in a public-private  
21 partnership with both Walmart and Lowe's to be able to  
22 provide service to those areas. Especially in some of the  
23 locations where the Walmart might lie on a county line or  
24 on a state line, it's a very effective partnership.

25 So just real quickly, I mentioned the

1 partnership with Walmart, but the wonderful thing about  
2 the public-private partnerships is that for the purposes  
3 of establishing new business ventures, it benefits both  
4 the partners and the customer, so it's really a good  
5 business deal all the way around.

6 So some of the regions, I mentioned Walmart and  
7 Lowe's, other regions worked with local colleges to  
8 develop routes and some of the local colleges paid some of  
9 the operational costs to offset those routes. So it's  
10 very beneficial all around.

11 And then specialized travel training, while we  
12 all know what travel training is, one region in particular  
13 recognized a need to offer specialized travel training and  
14 that was Lower Rio Grande Valley. They had many customers  
15 in the colonias that were not aware of what services were  
16 being offered and were, in most cases, tentative because  
17 of being limited to know English being spoken, and so they  
18 targeted that as a specific project to offer travel  
19 training for the people living in colonias and are getting  
20 information out that way and are offering information  
21 flyers in Spanish for that target population.

22 So just in terms of future considerations, we  
23 found a few thins. One, of course, would be performance  
24 measures. Again, it's important to relay the success of  
25 the regional plan. Marketing, communications and public

1 involvement techniques, and in this case the regions need  
2 to be able to consider all the demographics and geography  
3 of a region so that if different languages are spoken or  
4 if we're working with different unique populations they  
5 need to take that into consideration. And then, of  
6 course, a detailed cost-effective service analysis is also  
7 useful in determining if the services being offered are  
8 being used to their utmost capacity.

9 And that is all I have for you guys today.  
10 I'll take any questions.

11 MS. BLOOMER: Thank you, Meredith.

12 Does the committee have any questions? Al.

13 MR. ABESON: What's the dissemination plan for  
14 this report?

15 MS. HIGHSMITH: Eric?

16 MR. GLEASON: We'll put it on our website and  
17 as broadly as we can make it. I'm not sure where you're  
18 going with that, Al.

19 MR. ABESON: It's a terrific report.

20 MR. GLEASON: I think it's a great piece of  
21 work. I'm listening to it and I'm thinking it has  
22 national implications as well within this effort.

23 MR. ABESON: Absolutely. I would certainly  
24 concur with that, and I would hope that it gets the kind  
25 of visibility that people will look at it and say these

1 are things we ought to be thinking about as we move  
2 forward.

3 MS. HIGHSMITH: Oh, and I should note really  
4 quickly too on that note, all of these coordinated plans  
5 are now posted on the regional service planning website if  
6 anyone would like to access them.

7 MS. BLOOMER: Any other questions from the  
8 committee?

9 (No response.)

10 MS. BLOOMER: Okay. Then we'll see if Ginnie  
11 can get out a copy of the presentation to us, as well.

12 MR. ABESON: With our compliments for a very  
13 well done piece of work.

14 MS. HIGHSMITH: Thank you.

15 MS. BLOOMER: It's been almost two hours.  
16 We'll go ahead, and if it's okay, we'll take a five-minute  
17 recess and come back.

18 (Whereupon, a brief recess was taken.)

19 MS. BLOOMER: We'll go ahead and reconvene as  
20 we need to get out of here.

21 We've lost Glenn but we still have a quorum, so  
22 we'll go ahead and move on to item 6, which is Review and  
23 discussion of the PTAC work plan. And I know you all had  
24 a chance to read it between 11:15 last night and one  
25 o'clock today. In reviewing it last night and hearing

1 sort of the comments and discussions at the last meeting,  
2 I think we're all just ready to start working and stop  
3 working on the plan to work.

4 So my thought was, at about 11:15 last night  
5 when I really just wanted to go to bed, was let's just  
6 leave the work plan as is, I think we have done a lot of  
7 work on it, we can obviously spend a lot more time on it  
8 but not actually get any work done, but take the existing  
9 work plan we have, divide it into two sort of working  
10 groups, one each to address the two main principles, with  
11 the first main principle being support public  
12 transportation and then underneath there are goals and  
13 objectives and then tasks under each objective, and then  
14 Principle 2 is promote coordinated transportation.

15 And then a smaller subset of the group can sort  
16 of work on fine-tuning the text of the work plan as well  
17 as prioritizing within that principle the first goal,  
18 objective and tasks related to that, and so we can  
19 actually begin working.

20 I think, based on our past conversations, as  
21 well as the next item on the agenda, we've sort of  
22 identified our top three areas to focus on, with the first  
23 one being the transportation development credit item,  
24 second is regional coordination planning, and then the  
25 third is the coordinated call. So the groups may want to

1 look at that.

2           So I know, and I apologize, I sent that out  
3 really late last night and most of us drove down this  
4 morning, but if anybody has any thoughts or other  
5 suggestions of how we can move on to actual work instead  
6 of planning to work, I would be open to any of those, so I  
7 will turn it over to the committee for your thoughts. And  
8 it's basically the same work plan you saw, it was tidied  
9 up a little bit and changed from landscape to portrait, so  
10 nothing should be too shocking on there.

11           MR. ABESON: Madam Chair, I don't want to have  
12 a long conversation, but can you just indicate how we got  
13 from -- I was not at the last meeting -- how you got from  
14 there to this?

15           MS. BLOOMER: Sure. As part of Glenn's scoring  
16 matrix, we were each asked to score, some of us took a  
17 little longer to do that than others. I had a very  
18 difficult time ranking and scoring each item as they  
19 related to I think they're called guiding principles. So  
20 what I had started to do is took the guiding principles  
21 and rearranged them how my mind sort of worked, and I  
22 ended up with something that looks similar to this  
23 document and then Glenn and I went back and forth and sort  
24 of tweaked it. But everything you see on here comes right  
25 off of that 1-1/2 page summary that you and Glenn had

1 created that we then scored off of, it's just rearranged  
2 in different order. And we talked about last time that's  
3 just how my mind works, and I was trying to figure out how  
4 we could use certain tasks that were included in the  
5 guiding principle document to build onto an objective  
6 which built onto a goal which got us to a bigger picture  
7 principle.

8 MR. ABESON: So is this list a ranking, in  
9 effect, as a result? No?

10 MS. BLOOMER: No.

11 MR. ABESON: So the ranking really went away.

12 MS. BLOOMER: Based on the ranking, we've  
13 identified the three focus areas that are within this  
14 document.

15 MR. ABESON: Gotcha. Okay.

16 MS. BLOOMER: But what I'm proposing is if  
17 folks want to, say somebody wants to work on support  
18 public transportation, then that group can talk based on  
19 the ranking and the current activities that are going on  
20 right now to determine which goal, objective and task they  
21 want to prioritize, and then come up with a specific task  
22 and a specific timeline that they would like to propose  
23 working on that.

24 MR. ABESON: You mentioned three items just a  
25 moment ago. One, I presume, is the first objective under

1 goal one, support public transportation?

2 MS. BLOOMER: Support public transportation.  
3 Then goal one would be implement an efficient, effective  
4 and sustainable public transportation system. Objective  
5 one under that is strategically leverage all available  
6 resources to maximize service provided throughout the  
7 state, and one of those tasks associated with that is  
8 transportation development credits.

9 MR. ABESON: Okay. So you're proposing that  
10 that be a priority for whoever gets to work on that?

11 MS. BLOOMER: I'm just throwing that out there.  
12 They may want to make that one of the priorities since we  
13 currently have rulemaking going on related to TDCs. And  
14 that's the next item on the agenda.

15 MR. ABESON: So is it premature to make a  
16 motion, or is that even necessary, that this, in fact,  
17 become one of the items and gets highlighted and  
18 addressed?

19 MS. BLOOMER: It does say action, so we can  
20 take that as an action. My thought is we would allow the  
21 group working on that principle to sort of identify with  
22 sort of the understanding that that would be one of them.

23 MR. ABESON: My only angst is I want to do  
24 something besides talk about doing something.

25 MS. BLOOMER: Yes.

1 MR. SALAZAR: And I agree with that. I think  
2 we've been talking about it for quite a while, and I'm  
3 just like you, Michelle, let's pick whatever we need to  
4 pick and move on.

5 MR. ABESON: Kelly, Glenn and I wrote that  
6 original thing so long ago, you were a young man, I think,  
7 when we did it.

8 (General laughter.)

9 MR. ABESON: So whether it's a motion that's  
10 necessary or not, I'd just as soon let's do it.

11 MR. UNDERWOOD: Do you want a motion to start  
12 dividing into groups between one and two?

13 MS. BLOOMER: Can we make it all one motion?

14 MR. UNDERWOOD: Sure.

15 MS. BLOOMER: To divide into groups and then  
16 work on those three items?

17 MR. ABESON: Go ahead, Brad.

18 MR. UNDERWOOD: Madam Chair, I move that we  
19 divide into groups of two consisting of support public  
20 transportation and promote coordinated transportation, and  
21 we start to work on the tasks involved in those groups.  
22 Is that good enough?

23 MR. ABESON: Second.

24 MS. BLOOMER: Will you take a friendly  
25 amendment?

1 MR. UNDERWOOD: Go ahead.

2 MS. BLOOMER: That the three main focus areas  
3 that we identified in the past, transportation development  
4 credits, regional coordination and the coordinated call,  
5 are sort of prioritized within those two principles.

6 MR. UNDERWOOD: Yes, as amended then.

7 MR. ABESON: And definitely accepted over here.

8 MS. BLOOMER: All right. All those in favor?

9 (A chorus of ayes.)

10 MS. BLOOMER: Now, sort of a second point, we  
11 have two committees. Who's on the committees? Do we need  
12 to do that as part of the meeting agenda? Do you folks  
13 have a feeling one way or the other?

14 MR. UNDERWOOD: The thing about it is with  
15 TDCs, you have been actively involved in this piece and I  
16 have sort of been involved in that because I've attended  
17 one of those meetings, so I don't know if it makes natural  
18 sense, because we're kind of in that effort to kind of  
19 stay with it, and Glenn has expressed some interest as  
20 well. But I'm just throwing out ideas at this point. I  
21 don't have to be in that, but I think Glenn probably has  
22 some strong feelings about the first one.

23 MR. ABESON: Everything.

24 MS. BLOOMER: Yes, working groups. I think  
25 that's what my email said.

1 Al, do you have a feeling one way or the other?

2 MR. ABESON: Well, personally, I want to work  
3 on promote coordinated transportation, and I guess not  
4 seconding, but secondly, I would support what Brad just  
5 said in terms of at least the two of you, who have already  
6 been involved in the TDC business, continue.

7 MS. BLOOMER: And then J.R., coordinated call?

8 And then Eric, would it be okay to sort of,  
9 since we have two members missing, get their thoughts  
10 outside of the meeting?

11 The one thing I did want to say, I completely  
12 understand let's get moving, but the individual that will  
13 sort of be leading the work of the working groups will not  
14 be me, because we want to get going, and I think I've been  
15 the holdup on both the scoring and work plan. So I'm  
16 going to help you all get moving by getting out of the  
17 way.

18 But I think what I hear is myself and Brad will  
19 be on the support public transportation working group and  
20 addressing the TDCs immediately, and then Al and J.R.  
21 would be on the promote coordinated transportation working  
22 group.

23 MR. SALAZAR: And I'll do coordinated call.

24 MS. BLOOMER: That's under that principle, you  
25 get all of them, of which coordinated call is one of them,

1 and I think regional planning is also under that one. And  
2 then Glenn and Christina, we can get their feedback  
3 outside of the meeting, or would we like to volunteer  
4 them?

5 MR. UNDERWOOD: Glenn was very adamant about  
6 some of the TDC stuff a while ago, and so I'm just  
7 thinking if he feels that strongly about it, it seems like  
8 he had some things to say before the recess, why not just  
9 drop him on it and we'll put Christina on the other one.  
10 That's what happen when you miss a meeting, you get put on  
11 working groups.

12 MS. BLOOMER: Okay. Brad has nominated Glenn  
13 to be on the support public transportation working group,  
14 and Christina on the promote coordinated transportation.

15 So I think what we'll do is allow those working  
16 groups to sort of get together, fine tune what they're  
17 going to do, and then come back to us. I think our next  
18 meeting is planned as a conference call in early June,  
19 last I heard. But we'll leave it in the hands of the  
20 working groups to get working.

21 MR. ABESON: Eric, I think this is for your  
22 office. Can we do conference calls, the two working  
23 groups, can we do conference calls through your office?

24 MR. GLEASON: I don't see why not. That would  
25 be fine. In fact, that's probably a good idea.

1 MR. ABESON: Okay, great. So work with Ginnie  
2 on those?

3 MR. GLEASON: Yes. We'll organize it. Well,  
4 let me put it this way, I'll wait until I hear from you  
5 that you're ready, and then we'll organize it. Let me  
6 clear about that.

7 MR. ABESON: Fair enough.

8 MS. BLOOMER: So at our next meeting we'll be  
9 looking at an update from the working groups and the  
10 priorities and tasks they're working on with sort of  
11 timeline for completion, with the goal being that when we  
12 go back to the semiannual meeting in July, we'll be able  
13 to share with the transit providers throughout the state  
14 not only our work plan but our tasks and then the timeline  
15 for completion. I think another key thing that we had  
16 talked about last time, and we had some discussion about  
17 it but it didn't get added, and probably each working  
18 group needs to work on it, is what we've already done:  
19 the Census impact, the leadership seminar. I think we  
20 really need to make sure that we document what we've  
21 already done related to meeting some of those goals and  
22 objectives as well.

23 MR. ABESON: At one time there was a comment  
24 somebody made about sharing the guiding principles with  
25 that group as well. Has that happened?

1 MS. BLOOMER: At the January semiannual meeting  
2 I verbally shared the guiding principles, the keys, and  
3 committed to bringing back in more detail at the July  
4 meeting what exactly those were, and I was hoping to have  
5 a handout so we could actually show them, instead of  
6 saying we're PTAC, here's who's on PTAC and we're here to  
7 help you and nobody really interacts, be able to hand  
8 something out and say, okay, this is what we mean, this is  
9 what we're working on, this is the time frame we're  
10 working on, please let us know if we're serving your  
11 interests.

12 MR. ABESON: Okay.

13 MS. BLOOMER: So that takes care of item 7, and  
14 we are ready to get started on work.

15 So right into getting started on the work, item  
16 8 on the agenda is discussion and comment on the  
17 Transportation Development Credit Rulemaking Advisory  
18 Committee, and I did late yesterday just send out sort of  
19 a brief background for folks, so hopefully everybody could  
20 be on the same page as to what transportation development  
21 credits are -- and from now on I'm just going to call them  
22 TDCs because that's easier -- but just to give folks an  
23 idea, as well, and I included the existing Transportation  
24 Administrative Code

25 So first, I guess what I'll do is start by just

1 giving a summary and then kind of go over the existing  
2 rules because I think those are very important when we get  
3 into what the initial proposed changes are which I think  
4 we will have some thoughts and comments related to, but I  
5 wanted to make sure folks understood not only what's being  
6 proposed but how that's different from what's already in  
7 the rules.

8 I think the most important thing to flag  
9 regarding the current rules is that eligible entities and  
10 eligible projects are anything that is currently eligible  
11 to be funded under Title 23 of the United States Code  
12 which is the highway section, or Chapter 53 of Title 49  
13 which is the transportation section or public transit.  
14 And the way it's currently set up is 75 percent of the  
15 state's locally earned credits are awarded within the  
16 region they are earned, and in the summary it tells how  
17 toll credits are earned. But if there is a facility  
18 earning credits within a region, which is defined as an  
19 MPO, a metropolitan planning organization's boundaries,  
20 then 75 percent of those funds stay within that MPO's  
21 boundaries.

22 Currently the way it's set up is those funds  
23 within the region would be awarded by TxDOT holding a call  
24 to competitively award the TDCs, however, there hasn't  
25 been a call conducted to date which I think might be way

1 we are considering rulemaking, but to date there have been  
2 no TDCs awarded under that process.

3           Currently, even though it says any project  
4 under Title 23 or Chapter 53 of Title 49 is eligible, the  
5 current rules specifically state that a highway project is  
6 not eligible unless it demonstrates that the project  
7 provides direct support of a rail, transit, bicycle-  
8 pedestrian project, or improves air quality, and you'll  
9 notice that goes away in the revised rules, or proposed  
10 revised rules. And that an air quality project is not  
11 eligible unless it demonstrates that the project is  
12 located in a current non-attainment area, and again, that  
13 goes away. So just to flag that. And concurrence would  
14 be required of the MPO.

15           Entities, if they were awarded funds through  
16 this call, had one year to enter into an agreement with  
17 the state to use those. Any unused credits would be  
18 returned to the discretionary pot which is the 25 percent  
19 we'll talk about next. And after three program calls, any  
20 unused credits that were still available would also be  
21 transitioned to the discretionary pot. But again, there  
22 have been no calls issued and no funds awarded to date  
23 under the competitive method.

24           The second method is the discretionary process,  
25 and this is where the remaining 25 percent of locally

1 generated credits go, plus the non locally earned credits.

2 And I guess I never realized before that that 25 percent  
3 was, so there's the credits earned in a region, they only  
4 keep 75 percent and they sort of donate -- as they would  
5 like to say -- 25 to the larger statewide pot, plus  
6 there's the non locally earned credits that go into this  
7 pot. And I didn't realize that until the second meeting  
8 on the 29th.

9 But those are awarded via a competitive process  
10 or at the discretion of the commission, so the commission  
11 can determine how those funds are awarded. And they're  
12 awarded based on the same criteria that the competitive,  
13 basically, it can't be a roadway unless it has direct  
14 impact and it can't be an air quality project unless it's  
15 in a non-attainment area. For projects located within an  
16 MPO planning boundary, the commission will consider the  
17 expressed opinion, if any, of the MPO and unused credits  
18 not used within a year can be awarded to another entity.  
19 And so that's the current and existing rules.

20 Under the discretionary process, public transit  
21 providers in the State of Texas have been awarded  
22 approximately \$30 million since 2006, so public transit  
23 has been a beneficiary of TDCs under this section. And  
24 that was included as attachment 2.1 in the materials sent  
25 out. The majority of the TDCs were used for fleet

1 replacement and expansion, facility construction and  
2 rehabilitation, equipment such as tools and computer  
3 hardware and software, contract services or purchase of  
4 service, and preventative maintenance. And then that  
5 second attachment there sort of broke out by program what  
6 TDCs were used to match. Eric had provided that  
7 previously, but thought it was interesting as well, and I  
8 did share that information with the other members of the  
9 Transportation Development Credit Rulemaking Advisory  
10 Committee.

11 MR. UNDERWOOD: Kind of a sill question, I'm  
12 sorry. 5304 planning, it says we used a TDC award of  
13 \$16,000 to match. Why would planning require match,  
14 because isn't planning 100 percent?

15 MR. GLEASON: It's an 80-20 program, the 5304  
16 program is an 80-20 program.

17 MR. UNDERWOOD: Okay. I'm thinking of RTAP  
18 then would be 100 percent.

19 MR. GLEASON: Yes.

20 MR. UNDERWOOD: Okay. That's what I fault.  
21 Thank you.

22 MS. BLOOMER: And Eric, I had a question too on  
23 the TDC only contracts, the 9 million in TDC only  
24 contracts, what that represented.

25 MR. GLEASON: Well, that would be where an

1 agency has gotten a source of funding, we have not awarded  
2 anything other than TDCs for that contract. So if someone  
3 has secured funding on their own from another source and  
4 the only thing that we needed to do as the department was  
5 to provide TDCs, a lot of our awards have been done in  
6 conjunction with an award of other federal program  
7 funding.

8 MS. BLOOMER: So if an entity got discretionary  
9 funding for, say, state of good repair, and they needed  
10 TDCs to be able to access it, you just have a contract for  
11 the TDCs.

12 MR. GLEASON: That's correct.

13 MS. BLOOMER: Okay. So that's where the rules  
14 currently are, and then as part of the 2012 to 2013  
15 biennium, there was Rider 45 which basically stated that  
16 the department shall make it a priority to utilize  
17 transportation development credits as a required match in  
18 a manner that would maximize utilization of federal funds  
19 on eligible projects. Following that, the commission  
20 passed a minute order to establish the TDC Rulemaking  
21 Advisory Committee to take up this issue. It took a while  
22 for the committee to get going from that standpoint, but  
23 the committee was formed earlier this year. I laid out in  
24 the summary sort of who the seven members are and provided  
25 an attachment for the list of the membership. It's the

1 three MPOs with the largest balance of TDCs, so the North  
2 Central Texas, the Capital Area and Houston-Galveston.  
3 You nominated me to serve on the committee to serve as the  
4 Public Transportation Advisory Committee representative.  
5 There's a non TMA MPO representative, Norma Zamora from  
6 the City of Brownsville, a metropolitan transit provider  
7 and that representative is from VIA, and then a city that  
8 partners with the state to provide transportation projects  
9 and we have a City of El Paso representative. So you have  
10 those individuals listed there.

11 Now, they held the first meeting, and  
12 unfortunately, they picked the one date I was not able to  
13 attend which I believe was March 1, and my understanding  
14 of that first meeting -- and Brad, you can jump in as  
15 well -- was basically to get all the committee members on  
16 the same page as to what TDCs were, what the task was, and  
17 my understanding is they started discussing goals. I came  
18 in at the end of that discussion when they provided the  
19 list of goals, and then at the next meeting we talked  
20 about the goals that had been developed, as well as  
21 started walking through the Administrative Code and  
22 recommending changes.

23 So all I brought today was exactly what was  
24 provided at the last meeting. I provided some thoughts,  
25 but I really wanted to get your thoughts on where PTAC is

1 and where we think the public transportation industry is  
2 so when we go back to our next meeting which is the 26th I  
3 have a little bit more guidance on -- I think I know where  
4 we would like to go, but before I get too far down that  
5 road, I want to make sure we're all on the same page. I  
6 also would like to get the committee's thoughts and ideas  
7 on how we'd like the flexibility of toll credits and the  
8 potential use of toll credits to be reflected in the goals  
9 and the rules.

10 So if there aren't any questions on sort of the  
11 background and the basics, we can get into the actual  
12 goals and maybe talk about that a little bit and then we  
13 can sort of up the Administrative Code if you want. I  
14 just need some direction on where to go from there.

15 The committee is moving really quickly and so  
16 trying to get everybody's input and be responsive back to  
17 the committee. My understanding is we will have revised  
18 draft code to review for an April 26 conference call which  
19 is next Thursday, I don't know if that's going to happen,  
20 and then the commission's first look at the goals and the  
21 revised Administrative Code will be at their June  
22 meetings, so this is moving really fast. I'll just leave  
23 it at that.

24 But on the goals, Brad, do you want to provide  
25 any thoughts or comments about the first meeting and maybe

1 how the goals came about before we sort of open it up to  
2 responding to the goals?

3 MR. UNDERWOOD: I'll say this, at the first  
4 meeting I don't think there was a very clear understanding  
5 amongst the members of how public transportation has  
6 utilized TDCs in the past. It was viewed as we give TDCs  
7 to buy vehicles for areas along the border that need  
8 dialysis, and it was no, that's not quite it, we use TDCs  
9 for a whole lot more than that. In fact, most of the  
10 vehicle purchases that have been made in the last five to  
11 ten years, TDCs have been the primary matching fund, and  
12 so I think there was a little bit of education that I  
13 tried to bring forth in the first meeting of saying no,  
14 we're using them this way and it's not just for goal  
15 number 6, which I didn't really understand where this came  
16 from. I think it had kind of come out of some previous  
17 language, I don't know, Michelle, ten years ago or  
18 something that was written, and so it didn't really make a  
19 lot of sense to me.

20 So I think we both recognized that number 6  
21 needs to be, if not scratched, very much revised and  
22 overhauled. If you want to get too much into where we  
23 think it needs to go and head, we can start going that  
24 direction. But I have said from the very beginning, I  
25 believe, that public transportation needs a set-aside

1 because highway projects are very large and even though  
2 this is a very big pot right now, it won't be in a year or  
3 two, and I don't want to see us lose the amount that we  
4 have traditionally used in the past, I think it's only  
5 fair.

6 And then the other thing I believe is that we  
7 should be able to utilize TDCs in any way that the Highway  
8 Department is planning on utilizing them, and so if  
9 they're going to be using them for projects or operations  
10 or whatever, I think we need to insert some clear language  
11 into these goals that we receive similar treatment. I  
12 mean, that's what I've said from the very beginning.

13 MS. BLOOMER: Yes. And just to add on that,  
14 the second meeting was held on March 29 and I think there  
15 were similar issues at that meeting trying to communicate  
16 the range of public transportation and what that entails  
17 and that when we say public transportation in the State of  
18 Texas and we want public transit providers to preserve the  
19 historical use of TDCs for public transportation  
20 providers, we aren't necessarily referring to the large  
21 metropolitan transit authorities. They are a public  
22 transit provider but there are small urban and rural  
23 providers, and that perspective seems to be a little bit  
24 more limited in that group, and so trying to sort of  
25 communicate the range of public transit and all the

1 players in that.

2           When we were going through the Administrative  
3 Code and the use of projects, one of the individuals that  
4 is actually from the public transit side raised the  
5 concern of referring to it as projects, we only fund  
6 projects, because a lot of the things we fund on public  
7 transit side may not be a necessary project as you would  
8 think of it on the highway side, it's service or something  
9 else.

10           The other issue that was communicated at the  
11 meeting that I sort of wanted to get feedback from the  
12 committee on was I raised the concern that from the public  
13 transit side my interpretation is our concern is that a  
14 single highway project or a fairly small number of highway  
15 projects could very quickly deplete the current just less  
16 than 2 billion balance of TDCs. And I was sort of told  
17 that that was not a concern, that would never happen and  
18 we didn't need to be worried about that. I'm still very  
19 concerned about that, but if other folks are worried about  
20 that, then I'm fine to continue to take that back and  
21 carry that torch, but if nobody else is concerned about  
22 it, then I'm not going to keep raising it when I'm being  
23 told don't worry, that's not going to be a problem. But I  
24 don't know, I think that might be a problem.

25           One of the other members mentioned that well,

1 once folks figure out that toll credits are the best thing  
2 since sliced bread, they'll be using them all the time. I  
3 was like we've already figured out that it's pretty cool  
4 on the public transit side and we're spending them. So  
5 I'm a little worried that we're going to see the balance  
6 go down, and without being able to know sort of on a  
7 consistent basis how much money or how many credits will  
8 be earned each year, that sort of exacerbates that concern  
9 I have that we could be spending them now and end up in  
10 ten years and have none, and I want to be prudent in the  
11 use of TDCs over a longer period of time.

12 MR. UNDERWOOD: And I think it will get  
13 competitive on the highway side. There's going to be a  
14 lot of people going out about these projects I want to  
15 have done, and transportation sometimes tends to be pushed  
16 to the back burner, therefore, we're not going to have any  
17 to be used for our projects, so there again it reiterates  
18 my set-aside argument.

19 MS. BLOOMER: And that was another issue that  
20 was brought up at the meeting, both on the 75 percent and  
21 then there's the 25 percent. I kind of felt like at the  
22 meeting as the public transit industry I'm not sure we  
23 have a lot of say related to the 75 percent, I think we  
24 have a significant interest and input to give on the 25  
25 percent. But one of the comments came up related to the

1 75 percent, part of the recommendation was that the MPOs  
2 would select the projects, well, then transit doesn't need  
3 to worry because they'll be included in that process. And  
4 I don't know, I was in a very uncomfortable position to  
5 verbalize that I'm not necessarily sure that all public  
6 transit providers in the state feel that they have a seat  
7 at the table when it comes to how projects are selected in  
8 a metropolitan area.

9 MR. UNDERWOOD: That is correct. Even in  
10 smaller MPOs, because, for instance, in the Texoma MPO  
11 public transportation is not represented on the board, so  
12 therefore, how would we get TDC award through projects if  
13 they were to select.

14 MS. BLOOMER: But before we get to the code, I  
15 guess we can go back to the goals. The group came up with  
16 six goals. I think as soon as they went out, there were  
17 emails flying back and forth and phone calls being made.  
18 I don't know if everybody has had a chance to read them,  
19 and I apologize to the folks in the audience, but goal  
20 number one is: Maximize the utilization of available  
21 federal transportation dollars, particularly in situations  
22 where federal dollars might otherwise be foregone due to  
23 lack of state or local match.

24 MR. ABESON: Can I interrupt? Are these in  
25 some kind of an order that would come into play when

1 awards are being made?

2 MS. BLOOMER: I do not believe they are ranked  
3 in any particular order, they are just listed, but I can  
4 clarify. But I read the first goal, thought okay, sounds  
5 reasonable. Second goal: Free up state/local funding  
6 otherwise used as federal match so that a limited number  
7 of high priority projects might be funded without federal  
8 funds, permitting them to take advantage of state  
9 environmental streamlining. Again, I read that one and  
10 thought it applies both on the highway side and the  
11 transit side, sounds reasonable.

12 MR. ABESON: What does state environmental  
13 streamlining mean?

14 MR. UNDERWOOD: Do you want to explain that,  
15 Eric?

16 MR. GLEASON: What does state environmental  
17 streamlining mean?

18 MR. ABESON: Yes.

19 MR. GLEASON: Well, the general idea here is to  
20 use the development credits to draw down as much as the  
21 federal formula funding as possible so that you don't tie  
22 up state or local money in that effort. It doesn't change  
23 the amount of federal funding that comes down, just the  
24 way you do it. And the thinking is that that would allow  
25 you to bundle up just state or just local money on

1 specific projects completely so the entire project was  
2 funded through state funds or local funds, and that would  
3 involve a different environmental process that might be  
4 conducive to getting a project done more quickly.

5 MR. ABESON: Different environmental?

6 MR. GLEASON: In other words, you wouldn't need  
7 to follow the NEPA rules necessarily.

8 MR. ABESON: So this has nothing to do with the  
9 real world environment.

10 MR. GLEASON: It's a process issue.

11 MR. ABESON: Gotcha. Okay. I read that all  
12 wrong.

13 (General laughter.)

14 MS. BLOOMER: And Al, maybe just an example,  
15 one thing we do in our region is our sustainable  
16 development projects are funded with local funds only  
17 because the federal requirements for, say, a sidewalk are  
18 different then local requirements, and the process is  
19 different and it takes longer, so in the end we can build  
20 projects quicker to local standards versus going through a  
21 federal process. And I think the idea is sort of  
22 consolidating all your federal funds on a project that you  
23 have to use federal funds on and meet federal requirements  
24 and those where you can take all your state money or local  
25 money and move that project faster.

1           The third one is: Free up state/local funding  
2 otherwise required as federal match so that a limited  
3 number of high priority projects not otherwise eligible  
4 for federal funding may be supported from state and local  
5 dollars. And this is the same idea is instead of putting  
6 federal, state and local on a project, let's try to focus  
7 federal money here so we can free up state money to go  
8 build something that may not be eligible under a federal  
9 program.

10           MR. GLEASON: May I make a comment?

11           MS. BLOOMER: Yes.

12           MR. GLEASON: One, two and three are similar,  
13 they sort of all talk about the same thing. What I would  
14 describe to the committee is that historically the program  
15 has used development credits very consistent with Rider  
16 45. What we do and what we've done in public  
17 transportation is it's not so much so that local funds can  
18 be used on a high priority project or a different project,  
19 what we've done is we have allowed public transportation  
20 providers to use their state and local money as operating  
21 match, as much of it as possible for operating to match  
22 federal program operating dollars. We have taken  
23 development credits and used them to fund a larger portion  
24 of what would otherwise have been local or state money for  
25 capital.

1           So it's on the highway side it's conceived of a  
2 certain set of projects being funded with federal money  
3 and another project or two being funded with state money,  
4 high priority projects. What we're doing is basically  
5 allowing the local agencies to use their local and state  
6 money to maximize service to match federal service money.

7           It's not really a choice between different projects as  
8 much as it is the greater good or the greater whole is  
9 being created by not having to use these funds as match  
10 for capital, so more service.

11           So we've seen, for example, in the last six  
12 years increases in federal programs for operating. The  
13 rural program increased dramatically with SAFETEA-LU, and  
14 this approach on the department's part has allowed as much  
15 as possible for local providers to use local and state  
16 money to match that increase. They've not gotten an  
17 increase in state funding, in fact, they've had reduced  
18 buying power because of the flatline, so all of this  
19 attempting to make sure that we can maximize service  
20 levels in the state.

21           And I don't know, it seems to me that somewhere  
22 in one, two or three, the committee might want to capture  
23 that tradeoff, unless you're comfortable with the  
24 description of high priority projects as being okay. Does  
25 that make sense?

1 MR. UNDERWOOD: You have that term being used  
2 over and over, projects, projects, situations, and it  
3 never really gets down to --

4 MR. GLEASON: I think we could make the  
5 argument that the service is a project, if we had to. But  
6 I think it might be helpful if the committee looked at in  
7 one of those three introducing that concept that we use  
8 them for.

9 MS. BLOOMER: We can do that up at the top or  
10 maybe down at the bottom, or in both places, as well.

11 The fourth one: Use TDCs as an additional tool  
12 so smooth out cash flow demands created by the variability  
13 in project lettings and expenditures. I asked them to  
14 explain that to me and they did and I understood it at the  
15 meeting, and I can't repeat it, but it's mainly on the  
16 highway side relating to sort of reimbursement of programs  
17 versus having the cash to pay for it.

18 MR. UNDERWOOD: They described it almost as  
19 like an Infrastructure Bank a little bit where you're  
20 pulling and taking.

21 MS. BLOOMER: Yes.

22 MR. ABESON: Does it get replaced? I mean,  
23 after it's made available for smoothing, then after that  
24 period of time that has passed, are those dollars  
25 reimbursed to the TDC fund?

1 MS. BLOOMER: My understanding is yes.

2 MR. ABESON: It's like a loan.

3 MS. BLOOMER: It's sort of used to address the  
4 cash flow, but I can ask for clarification since that one  
5 is, I believe, Mr. Morris.

6 MR. UNDERWOOD: And there again, I can see  
7 where from that standpoint they're using this for almost  
8 cash flow where these TDCs will go up and down, some days  
9 we have a whole lot, some days, they're just kind of  
10 moving constantly. It's not like they're being accessed  
11 once a year, this is what we have left, I mean, this is  
12 like a continual basis of using this a lot.

13 MS. BLOOMER: Right. And then the fifth one  
14 I've hashed through it, the recommendation at the second  
15 meeting was to move it into the rules itself, but it was:  
16 Use TDCs to create a small revolver fund to smooth out  
17 the cash flow needs created by the time lag in state  
18 reimbursement of MPOs responsible for the implementation  
19 of air quality projects and programs. And the concept  
20 behind this, if I can try to explain it, is that the MPOs  
21 could trade TxDOT TDC credits in lieu of sort of cash or a  
22 revolver account where those funds could be used to pay,  
23 because right now everything is on a reimbursement basis  
24 so you have to pay up front and then submit reimbursement  
25 and wait to get paid back. And the amount that we're, I

1 know at the North Central Texas Council of Governments,  
2 currently revolving is in the \$3- to \$5 million every week  
3 as far as paying out and then waiting 30 days to get  
4 reimbursed. So the concept would be to sort of create a  
5 revolver fund where the entities wouldn't have to bankroll  
6 that on their own.

7 MR. UNDERWOOD: How do you do that with TDCs,  
8 though?

9 MS. BLOOMER: You trade them. And then there's  
10 also the option to be able to trade within the MPOs, so if  
11 the Capital Area MPO needed TDCs to build a project, then  
12 either the Houston-Galveston area or the DFW area could  
13 say: Sure, we'll give you X number of our TDCs this year  
14 in exchange for X number of TDCs in the year back. So if  
15 you had a project that was ready to go and you had all  
16 your environmental clearances and you were short on cash,  
17 you could trade TDCs to get that project going if we  
18 didn't need them, so you don't have entities waiting to  
19 build a project because you're piecemealing your TDCs  
20 together.

21 MS. BLOOMER: And then so reading through the  
22 goals they all seemed fairly reasonable and they seemed  
23 broad enough to apply to both the highway side and the  
24 public transportation side, and then I got to goal six and  
25 I went: What? Goal six says: Support use of available

1 Federal Transit funding for high priority transit services  
2 which might be foregone due to a lack of matching funds,  
3 particularly where such services provide a vital economic  
4 and public health lifeline to economically disadvantaged  
5 areas of the state.

6 Now, my understanding, the intent of this item  
7 was to acknowledge the historical use of TDCs by public  
8 transportation and place continued use of TDCs by public  
9 transportation as a high priority focus. I'm not sure  
10 that's how everybody interpreted it. So when I raised  
11 concern about item six at the meeting, it was like: Well,  
12 we put it in there to make you happy; you're not happy?  
13 Well, that's what I'm hearing.

14 So we have been tasked, me, namely, with coming  
15 up with how would we like goal six to be reflected, or  
16 would we not like it to be reflected at all. We can, like  
17 Eric mentioned, provide recommended alternative text for  
18 any of the other goals, we can delete goal six, we can  
19 alter goal six. There was some discussion that maybe we  
20 just drop it off at funds; there was some discussion that  
21 maybe we see in addition to the four or five above goals,  
22 maintain historical use, or I can't remember what language  
23 I put down. But I think I'm opening that up. I have been  
24 tasked with getting the transit industry's input as to  
25 what they would like goal six to say or not say, so I'll

1 open it up for direction. We can maybe think about it and  
2 we'll move on.

3 MR. ABESON: Has the Transit Association come  
4 forth on this issue?

5 MR. GLEASON: I will be talking with the other  
6 transit representatives on the TDC Committee and then next  
7 week am at the Texas Transit Association conference at  
8 which they have their general meeting, and I'm trying to  
9 work with the chair of TTA to sort of get the transit  
10 perspective. I'm thinking the transit industry to me is  
11 PTAC, the Texas Transit Association which represents a  
12 large number of providers in the state, as well as  
13 individual providers who would like to provide any  
14 thoughts or comments, and PTN.

15 MR. SALAZAR: And you said you got resistance  
16 from the public transit side of it. Can you be specific  
17 about that?

18 MS. BLOOMER: The other public transit  
19 providers on the committee, again, I went into the second  
20 meeting having missed the first one, and you know how much  
21 I like to talk, but I felt -- I have Michael Morris  
22 sitting here, I have Alan Clark sitting here, and I have  
23 Mr. Bass sitting there, and then there's me.

24 MR. GLEASON: Well, don't sit there.

25 MR. UNDERWOOD: Change seats.

1 (General laughter.)

2 MS. BLOOMER: I tried, I kind of got  
3 surrounded. Other than me, there was not a whole lot of  
4 discussion from other transit members on the committee.  
5 And so again, I didn't want to continue making the point  
6 that transit providers don't mean VIA, Cap Metro, DART,  
7 the T and DCTA, because that's who the majority fo the  
8 folks at the table, when they're talking public  
9 transportation, that's who they're thinking when they're  
10 not thinking highway. So I'm glad that they're at least  
11 thinking transit, but again, it's a very small component  
12 of public transit in the state.

13 And like I said, the only other comment that  
14 came up from a transit representative on the committee was  
15 regarding the use of the word project. I saw a lot of uh-  
16 huh, uh-huh when I was talking but not a whole lot of  
17 verbal support. So I'm more than happy to go back to the  
18 April 26 meeting and sort of push whatever our thoughts  
19 and agendas and concerns are, but before I did that, I  
20 wanted to make sure I was speaking on behalf of this  
21 committee and the transit providers in the state, because  
22 I wasn't hearing a whole lot of talk from them.

23 MR. ABESON: First of all, I respect your  
24 healthy paranoia, I truly do. Secondly, is there an  
25 operational definition of high priority projects? There

1 wasn't that I could find in the materials you sent last  
2 night.

3 MS. BLOOMER: No.

4 MR. ABESON: You are also recommending  
5 amendments to the rules. Correct?

6 MS. BLOOMER: The group is, yes.

7 MR. ABESON: Okay. Is it possible or is it  
8 feasible or does it make any sense to try to write a  
9 definition of high priority projects that could then be  
10 inserted in the rules and drop six altogether?

11 MS. BLOOMER: I think the issue with defining  
12 high priority projects is that's going to be very --

13 MR. ABESON: Tricky.

14 MS. BLOOMER: -- very subjective, and I think  
15 probably why it isn't. And I don't know that I want --  
16 and I guess that's the issue for the committee, do we want  
17 that level of detail in the administrative code.

18 MR. UNDERWOOD: And I don't know that we would  
19 win when we start dividing that either because of the  
20 people in the room.

21 MR. GLEASON: I think one of the things the  
22 committee should discuss is in the context of a  
23 competition, in a relatively generic definition of a high  
24 priority project, how well would our traditional use,  
25 projects that we have traditionally used development

1 credits for, replacement fleet, rural area replacement  
2 fleet, small urban fleet, how well are the numbers around  
3 those projects going to stack up against a highway  
4 project. And so I think while maybe 2035 we'll have a  
5 level playing field that way when we look at potential to  
6 move people and things like that, but we don't have that  
7 now. And so one thing I think the committee should  
8 consider is I think the goals should be either so general,  
9 I think, that it could be read as applying either to  
10 transit or highway. If there is a transit goal, then it  
11 needs not to limit transit in how it's stated, would be my  
12 suggestion. Because the presence of a single goal talking  
13 about transit, some folks will think that's it, that's the  
14 transit goal, these other five are not. So that's  
15 something to think about there.

16 I think we need to find a way to lock in, if  
17 you will, and preserve our traditional of them which have  
18 largely been for asset replacement, critical asset  
19 replacement and expansion. But again, on a scale that  
20 would be totally dwarfed by a highway program use of  
21 development credits. And so Brad mentioned earlier a set-  
22 aside. You know, in my mind, some kind of an annually  
23 replenishing fund up to a certain amount, consistent with  
24 levels of historical use plus a little more would make  
25 sense to me. Again, not trying to get into the large

1 metro need and the extent to which they're able to play in  
2 the regions is different.

3 MR. ABESON: Do you think that a set-aside  
4 would work, that the group would accept a set-aside?

5 MR. GLEASON: The group?

6 MR. ABESON: The committee.

7 MR. GLEASON: I don't know, Al, I don't know.  
8 I do know that our needs are relatively small. I mean, if  
9 we were to have a replenishing set-aside of 10 million a  
10 year for the programs that the department administers  
11 directly, the last five years we've averaged 6- a year and  
12 it's gone anywhere from 3- to 8-. And so we could throw a  
13 number out there like 10-, for example, and we could  
14 finance -- that would draw down a \$50 million federal  
15 program every year that we could use for capital  
16 replacement, expansion, service if you wanted to.

17 MR. ABESON: Is it your sense that a dollar  
18 figure as opposed to a percentage would be better?

19 MR. GLEASON: I don't know. It's actually not  
20 a dollar number either, it's a number. I threw a number  
21 out because sometimes that's the easiest thing to lock in  
22 on. Percentages sometimes, depending on how big the pot  
23 is, can go up or down at any given point in time.

24 MR. ABESON: I'm just trying to think of what  
25 might be more acceptable to this body.

1 MS. BLOOMER: I think the term set-aside  
2 versus, Eric, you proposed replenishing fund, I think we  
3 might have a little more success with a replenishing fund,  
4 and you had mentioned 10 million or more, maybe it's a  
5 percent of the annual but not less than, so we don't sort  
6 of cap, we don't say 10 million and then it's a billion  
7 available that year and we're stuck with 10 million, but  
8 it's at a minimum 10 percent or 10 million, whatever is  
9 greater.

10 MR. UNDERWOOD: And I think you've got to  
11 define where that percent comes from because you may look  
12 at it and go well, the balance is only 100,000 right now  
13 so technically we only have to leave you 10,000. You know  
14 what I mean? You've got to say of the annual allotment or  
15 the average balance, something. You know what I'm saying?  
16 As that fund moves up and down, I don't want that  
17 percentage to be moving as well, it needs to be set on the  
18 annual.

19 MS. BLOOMER: Right. So we sort of set the  
20 bottom, that 10 million would be the floor, but if it's  
21 more, if 10 percent would get you more than 10 million,  
22 then it would be the 10 percent.

23 MR. GLEASON: The 10 million number I threw out  
24 there, we're only looking at the traditional use to  
25 support programs that the department administers. We gave

1 DART, back in 2003, 12 million to draw down federal money  
2 to purchase light rail vehicles. So we have some chunks  
3 in our history that go well beyond, and one large transit  
4 need would suck up any relatively small amount we might  
5 have for the small urban and rural programs of the state.

6 So we need to make sure when we do this we don't  
7 necessarily communicate that that's all transit either.

8 MS. BLOOMER: And that sort of leaves me with a  
9 question. Going forward, if we have the other 75 percent  
10 discretionary available that is now being selected by the  
11 MPOs, would we then look for, say, the DART request for  
12 TDCs to come out of the metro pot, or would we be  
13 considering those under the 25 percent as well. And then  
14 I heard you say, Eric, maybe we try to not only preserve  
15 the traditional or historical use but also look going  
16 forward for something above and beyond the historical use.

17 And one of the concepts that has been thrown out in the  
18 past was to ask for an amount equal to what's necessary to  
19 pull down the formula funds in the state.

20 MR. UNDERWOOD: And the other thing I think  
21 about too, like in the DART situation, could we even make  
22 some sort of reference to if DART wants that money or  
23 someone that's part of a larger MPO, the first preference  
24 is to access the 75 percent, don't come straight to the 25  
25 percent pot, let's go to this one first, and if you're

1 rejected there. And that's kind of tough to write in a  
2 goal, you do this first and then you do this next, but I  
3 think that should be the overall idea of you need to  
4 access the larger pot first, if it's not available there,  
5 then come down to the smaller one.

6 And I don't agree with the 25 percent pot being  
7 regulated by an MPO choice either, I think that still  
8 needs to come back and be part of -- or the set-aside  
9 needs to be part of the discretion of PTN like it has in  
10 the past.

11 MS. BLOOMER: Yes. And that's currently the  
12 way it is

13 MR. UNDERWOOD: Good. Okay.

14 MS. BLOOMER: Going forward, the 75 percent,  
15 the locally earned credits, it's changing from TxDOT  
16 issues a call -- the proposed change -- and the commission  
17 awards the funds to something similar to the commission  
18 allocates, based on a formula, those credits to each  
19 region. That region is responsible for conducting the  
20 call using its regional process criteria, so project  
21 selection would be at the regional level and then the  
22 commission would concur. And that's similar to how  
23 projects are awarded now under the Congestion Mitigation  
24 Air Quality Program and Surface Transportation Program  
25 Metropolitan Mobility where the region selects the

1 projects, goes through its normal public involvement  
2 process, takes them to their policy board to approve, and  
3 then the commission sort of concurs yes, and then move  
4 forward, versus before it was the commission would select  
5 the projects based on a commission-generated call.

6 MR. UNDERWOOD: Well, the only areas earning  
7 TDCs are Dallas, Houston, Austin, San Antonio -- no, not  
8 San Antonio? Dallas, Houston, Austin, that's it?

9 MR. KILLEBREW: For the record, Bobby  
10 Killebrew, deputy director of Public Transportation.

11 There's some border bridge crossings that are  
12 also toll bridges and so forth, but you named the big  
13 ones, you named the biggies right there.

14 And what I'd like to offer, because I think  
15 some of the conversations you're having, I didn't want to  
16 interrupt, but going back to this talking about projects,  
17 and Lord knows, I've been around on the TDC front since we  
18 first started using them so I've got the whip is on my  
19 back for transit being the first one out of the box. A  
20 perspective that's always been very helpful to me, on the  
21 highway projects, TDCs are used more like a method of  
22 finance, they're not an award to a project, they're a  
23 method of finance, and if you think about it in those  
24 terms that makes it a little bit easier. On the transit  
25 side we use it more like money towards a project which is

1 a little bit different. We award TDCs to a project, on  
2 the highway side they're doing the project no matter what,  
3 they just use it as a way to be able to finance the  
4 project. So you don't normally see these projects going  
5 before the commission on a highway side saying this  
6 project is going to have 100,000 TDCs in it, it's we're  
7 going to build this overpass, Finance Division, you go and  
8 figure out how we're going to pay for it.

9           So when you're looking at those cash flow  
10 things on those goals and you're looking at those other  
11 things that you're talking about, that's what is meant, if  
12 we don't have enough money in the bank to pay the vendors,  
13 then what we'll do is we'll just make it 100 percent  
14 federal funds to build this overpass and we'll put some  
15 TDCs towards it. That helps out with our cash balance  
16 real easy. On the transit side we award them to a  
17 specific project, we're going to give J.R. some money so  
18 he can go buy a vehicle and be able to give him some TDCs  
19 to match that money so he can go buy the vehicle.

20           So that's kind of a different perspective on  
21 that. They come at it from a method of finance  
22 perspective which may make more sense as you're talking to  
23 these people and you're sitting around the table and  
24 you're going I'm the only transit person, all these other  
25 guys are doing these highway projects.

1           Same thing with the MPOs selecting the  
2 projects, they may go down that road as well saying this  
3 is a method of finance and so we're going to update our  
4 local TIP on how we're going to pay for these projects,  
5 how we're going to draw down the money, not necessarily  
6 controlling it. Like Eric said, we let our operators,  
7 they have to use their capital match money to provide  
8 service for operational, and so we supplant that money  
9 with TDCs so they can buy vehicles -- fewer vehicles, I  
10 might add, because it's less money, but again, we don't  
11 use it necessarily as a method of finance.

12           And I just thought that was a good perspective  
13 to let you know because you're in that room with those  
14 other guys, James Bass and Michael Morris and Alan Clark.

15           MS. BLOOMER: The definitely helps on the  
16 financing.

17           So I need some guidance on what we would like  
18 to do related to the goals. I'm torn between we delete  
19 item six and let goals one through five stand. I'm also  
20 torn between if we leave goal six, even revised, I think  
21 we need to make it clear that goals one through five also  
22 apply so folks don't think that just goal six is related  
23 to public transportation.

24           MR. GLEASON: Are you looking, Michelle, for a  
25 sense of the committee, or are you looking for individual

1 committee members to let you know what they're thinking?  
2 And that option can continue after this meeting, for  
3 example, if you want folks to think about this and send you  
4 their individual thoughts, you could describe that in this  
5 meeting and that could proceed to happen. If you're  
6 looking for an action by the committee, it probably needs  
7 to be formulated here, unless it's a very general sense.

8 MS. BLOOMER: I think we're going to have to go  
9 with the latter, one, due to time, and two, due to the  
10 fact that it's a discussion and comment, we didn't get it  
11 changed to -- oh, it does say action.

12 MR. GLEASON: We did that so you could take  
13 action if you wanted to.

14 MS. BLOOMER: Okay.

15 MR. UNDERWOOD: Is this something, though,  
16 because you and Glenn and I are working on TDCs  
17 specifically, as far as if we get the consensus, could we  
18 rewrite this goal six and maybe insert some things here?  
19 I mean, wouldn't we have more time to kind of blow it back  
20 and forth to one another? But I definitely want us to be  
21 on a quick time frame because this is moving very rapidly.

22 MS. BLOOMER: Yes. So I think maybe the better  
23 option for moving forward was to sort of ask the committee  
24 to provide either Brad or myself thoughts related to goal  
25 six, as well as the proposed revised rules between now and

1 say maybe the end of next week at the latest, and as part  
2 of our working group related to Principle 1, Brad, myself  
3 and Glenn will draft revised text for the rules and any  
4 comments we want to send forth as part of the next meeting  
5 related to the Administrative Code revisions and share  
6 those with everybody to provide individual feedback before  
7 the next official meeting.

8 MR. UNDERWOOD: That's on the 26th?

9 MS. BLOOMER: That's currently when it's  
10 scheduled. Again, we are supposed to have sort of  
11 revised -- you'll notice in the revised rules that I sent  
12 out, there are just a lot of insert language here related  
13 to. My understanding is the representative from general  
14 counsel is going to take the comments and thoughts from  
15 the meeting and develop actual text for the revised goals  
16 and provide that to the committee members in advance of  
17 the meeting. We don't have that yet so I don't know if  
18 the meeting on the 26th is going to happen or not. But I  
19 would be more than happy to share anything we have at that  
20 time. I was initially given till the end of the month to  
21 come up with our thoughts.

22 MR. UNDERWOOD: I'm just thinking we could even  
23 work on -- because you talked about presenting this at  
24 the TTA conference as well, you and I both will be there,  
25 we might could even work some on the wording in McAllen.

1 MR. GLEASON: And certainly when they're  
2 going -- they're currently scheduled to go to commission  
3 in June as proposed rules, and the practice we have is  
4 that this committee would look at those before that June  
5 meeting, and then again at the end of the formal review  
6 period you'd have another shot. But I think this is the  
7 time to have the largest impact before we get into that  
8 process.

9 MS. BLOOMER: And my impression, the intent of  
10 the members is to come to a consensus that everybody is  
11 happy with, so when we do get to the commission in June,  
12 we're all fairly comfortable with what's being presented,  
13 and that's not the opportunity everybody in the transit  
14 industry takes to provide their comments, that hopefully  
15 we can do a little work. But again, if we're not able to  
16 get there or the rules aren't reflective of our needs or  
17 desires, then that's obviously at the June meeting or when  
18 it comes back again for approval. But my hope, and I  
19 think what Michael Morris and James Bass are sort of  
20 tasking me with was: Well, go and find out what we can do  
21 because we thought goal six was making everybody in the  
22 industry happy, but apparently we were wrong so please  
23 tell us what we can do either with the goals or the  
24 Administrative Code.

25 So we'll go ahead and let folks just take some

1 time to think about that, review the existing rules, the  
2 proposed rules, the goals, and then get any comments you  
3 have as soon as possible to either myself or Brad, and  
4 then we'll get something back to you after we go to TTA to  
5 share and see what we come back with.

6 Yes, Al.

7 MR. ABESON: The use of these dollars is not  
8 only when they would be foregone to a lack of state or  
9 local match. Correct? The way that first goal reads is  
10 that's not the only circumstance. Is that right?

11 MS. BLOOMER: Correct. And they aren't actual  
12 dollars, they're credits that have no real monetary value  
13 except the fact that they serve in place of the required  
14 local match. So if a transit provider wants to buy a  
15 \$100,000 vehicle, 80 percent is federal and 20 percent is  
16 local and that is provided in cash match because the  
17 vehicle costs \$100,000. If you use transportation  
18 development credits to meet the local match requirement,  
19 that vehicle still costs you \$100,000, so now the federal  
20 amount is \$100,000 and the local amount is zero because  
21 TDCs fulfill the local match requirement.

22 And I think that first goal is in the instance  
23 that Eric mentioned, we've historically used these when  
24 transit providers in the past have received discretionary  
25 funds either to build a maintenance facility or something

1 and they didn't have the local cash match to be able to  
2 draw down those federal funds, and so we've used TDCs in  
3 lieu of returning the federal money to Washington to be  
4 reprogrammed.

5 MR. UNDERWOOD: But how do you prove that? And  
6 here's why I say that, you say, well, you've got \$200,000  
7 in state funding this year, use that. You go: Oh, I'm  
8 using that for service. Well, then you could use it for  
9 this if you wanted to, so technically you don't qualify  
10 for TDCs. Do you know where I'm going? I think there's a  
11 slippery slope there.

12 MS. BLOOMER: Yes. And I think that gets back  
13 to the question of how much we as a committee want to  
14 recommend gets included in the Administrative Code as to  
15 how and when and why TDCs are awarded on the transit side  
16 versus not included in the Code but maybe as part of a  
17 policy direction that this committee helps form related to  
18 PTN's use of TDCs.

19 MR. UNDERWOOD: Right.

20 MR. ABESON: Well, my final comment, for the  
21 moment at least, would be that if somehow that very first  
22 goal could be altered to reflect the historic use of these  
23 funds, and I don't know whether these would be the words,  
24 as Eric said, asset replacement and expansion, or fool  
25 with those words. Once it's in that goal, at least that

1 would set a floor, and then if there were another goal  
2 that tried to get at the set-aside or earmark, that would  
3 be just icing on the cake, and you also could give up the  
4 second but you'd at least have the first. Just for  
5 thought, just for the sub-group's -- you're not a  
6 committee -- the sub-group's consideration.

7 MS. BLOOMER: Working group.

8 MR. ABESON: Working group's consideration.

9 MS. BLOOMER: We will take that under  
10 consideration.

11 Eric, do you want to give the director's report  
12 for item 9?

13 MR. GLEASON: Sure. I'll make it short.  
14 Commission action coming up, this month in April we have  
15 just a single minute order to award development credits to  
16 Abilene for some fleet. And then it kind of depends on  
17 whether or not and what we hear from FTA on apportionments  
18 for the balance of this fiscal year. SAFETEA-LU  
19 authorization has been extended for 90 days, and we've not  
20 heard yet whether or not FTA plans to release additional  
21 apportionments based on that or not, and as soon as we do,  
22 we will let you know. But our next big round of  
23 commission action is largely shaped by those decisions, so  
24 May could either be a very busy month, May or June could  
25 be very busy with lots of federal money being awarded, or

1 at least some federal money being awarded, or it may be a  
2 relatively small time frame for us. We'll definitely go  
3 ahead and award state fund for fiscal year >13 in June,  
4 and I'll keep you posted on the federal side. But this is  
5 typically a pretty big time of year for us in terms of  
6 awarding money, but it is dependent upon the feds.

7 And that concludes my report.

8 MS. BLOOMER: And I just have one question for  
9 the committee. At the March 29 meeting the commission did  
10 approve the revised rules related to the Census impact.

11 MR. GLEASON: Yes.

12 MS. BLOOMER: And the date was changed and our  
13 comments were included. But I did just want to ask Eric,  
14 so that is now adopted. When do we anticipate those funds  
15 being awarded to the transit providers?

16 MR. GLEASON: The first time those new rules  
17 will be used will be in conjunction with awarding state  
18 fiscal year >13 funds which is scheduled for June.

19 MS. BLOOMER: Okay. That takes care of item 9.  
20 Item 10, public comment. I guess our public comment  
21 sheets have disappeared. Does anybody in the audience  
22 want to make a public comment?

23 (No response.)

24 MS. BLOOMER: We appreciate the audience for  
25 coming and staying. This is probably one of our longer

1 PTAC meetings, so thank you for picking this one.

2 Hearing no public comment, I think we'll skip  
3 item 11, confirm date of next meeting. I think Ginnie was  
4 currently looking at June 6 and 7, but I'm sure she'll  
5 shoot us an email when she's narrowed that down.

6 MR. UNDERWOOD: Just one thing on that, Madam  
7 Chair, in case we need to get together again to approve  
8 something on this TDC language or goal or whatever, we  
9 might should think about meeting, if even by phone, in  
10 May. I want to make sure that we're in front of the 8-  
11 ball on this and this isn't going to commission in June  
12 without our comment or approval.

13 MS. BLOOMER: Okay. We can keep that in mind.  
14 Seeing no further items, can I have a motion to  
15 adjourn?

16 MR. SALAZAR: So moved.

17 MS. BLOOMER: Second?

18 MR. ABESON: Second.

19 MS. BLOOMER: All those in favor?

20 (A chorus of ayes.)

21 MS. BLOOMER: Thank you.

22 (Whereupon, at 4:09 p.m., the meeting was  
23 concluded.)

C E R T I F I C A T E

1  
2  
3 MEETING OF: Public Transportation Advisory Committee

4 LOCATION: Austin, Texas

5 DATE: April 16, 2012

6 I do hereby certify that the foregoing pages,  
7 numbers 1 through 121, inclusive, are the true, accurate,  
8 and complete transcript prepared from the verbal recording  
9 made by electronic recording by Nancy H. King before the  
10 Texas Department of Transportation.

11  
12  
13  
14  
15  
16  
17 04/30/2012  
(Transcriber) (Date)

18  
19 On the Record Reporting  
20 3307 Northland, Suite 315  
21 Austin, Texas 78731  
22  
23