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TEXAS DEPARTMENT OF TRANSPORTATION
COMMISSION MEETING

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

Thursday
February 26, 2015
10:08 a.m.

COMMISSION MEMBERS:

Ted Houghton, Jr., Chair
Jeff Moseley
Jeffrey Austin, III
Fred Underwood
Victor Vandergriff

STAFF:

Lt. General Joe Weber, Executive Director
Rich McMonagle, Chief of Staff
Robin Carter, Interim Chief Clerk
Jeff Graham, General Counsel

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P R O C E E D I N G

MR. HOUGHTON: Good morning. I call to order -- it's 9 -- no, excuse me -- 10:08 a.m., Central Standard Time, and I call to order the February 26, 2015, meeting of the Texas Transportation Commission in Austin, Texas.

Note for our record that public notice of this meeting containing all items on the agenda was filed with the Secretary of State at 3:21 p.m. on January 21st, 2015.

At this time, as customary, would you please turn your communication devices in the off or silent mode. And if you wish to address the Commission, we have -- on an item, it's a yellow card; in general, at the end of the commission meeting, it is a blue card.

And before we start, we would like to -- I'd like to turn over the mic to our executive director, Joe Weber, for a safety briefing.

GENERAL WEBER: Thank you, Chairman.

Thanks, Chairman. At this time, I would like to call our occupational safety division director, Jerral Wyer, up to come forward and give us our traditional safety briefing.

Jerral, if you would, please? Thank you.

MR. WYER: Good morning, thank you so much. I appreciate the great support from the Commission and you, General Weber, for safety mission zero; our employees are

1 doing a great job.

2 For the audience, just a short safety briefing
3 this morning. If there's a fire alarm, I'm going to ask
4 that you make your way -- we have a full house, so, please,
5 if you will divide the building and the room and let's split
6 up and make your way to the nearest exit, and then we'll
7 cross the street and gather in front of the Capitol, on the
8 Capitol grounds, there. So, hopefully, that will not
9 happen, but we will need to be orderly if something does
10 happen this morning.

11 Great weather in Austin. We are not expecting
12 anything severe, but if for some reason we come under a
13 tornado alert, I'm going to ask that you make your way to
14 the basement area and/or the hallway, inside, away from
15 windows.

16 We have a first-aid station that's located at the
17 front entry. If we need an AED there, it's also located
18 right there by the front entry guard station. Our location
19 is 11th and Congress, in case someone needs to call 9-1-1.

20 The last request I'll have is when you leave this
21 place and you get in your vehicle, please drive safely and
22 defensively and put all distractions away as you're behind
23 the wheel.

24 Thank you, and I hope that everyone has a great
25 day. Thank you.

1 GENERAL WEBER: Thank you, Chairman.

2 MR. HOUGHTON: The first order of business is to
3 approve the minutes from the January 29th, regular meeting
4 of the Texas Transportation Committee. Members, a draft of
5 the minutes have been provided.

6 MR. VANDERGRIFF: I move as approved -- I move as
7 presented.

8 MR. HOUGHTON: Second.

9 All in favor?

10 (Chorus of "Ayes")

11 MR. HOUGHTON: All right.

12 Now, we'll begin, as customary, to open the
13 Commission with comments from our fellow commissioners,
14 beginning with Commissioner Vandergriff, to my far right.

15 MR. VANDERGRIFF: Thank you, Chairman.

16 I realize there's a lot of people in the audience,
17 so probably the last thing you want to do is hear from me
18 and you want to get on with business and I'll just cede that
19 time back to my colleagues. I'm looking forward and am
20 honored to be here.

21 MR. MOSELEY: Good morning, Members, and everyone
22 that's here today. What a delight to see you on this
23 beautiful day. I want to especially take the opportunity to
24 welcome our Green Light Houston delegation, and all the
25 other individuals who are here today.

1 My community of Houston has really made great
2 strides in transportation and major projects, such as Grand
3 Parkway and US 290 are underway. The growth continues in
4 our area, so we need to continue to fight for more mobility
5 in our region. But we really want to say thank you to this
6 special delegation, and another very special delegation, the
7 Pearland Chamber of Commerce is here. You might notice,
8 Chairman and Members, that we have food on our table today,
9 the pears.

10 But this is a wonderful group, the Pearland
11 Chamber, and, of course, they are here today and we welcome
12 them.

13 And Chairman and Members, I'm very pleased to have
14 met Bruce Bugg and Tryon Lewis, and we're pleased to have
15 both of these gentlemen with us.

16 MR. AUSTIN: Ya'll, please wave and be
17 acknowledged. Welcome. Welcome.

18 MR. MOSELEY: Governor Abbott has nominated these
19 gentlemen and we know that they'll have a speedy approval by
20 the Senate and be on the Commission, perhaps, at our next
21 meeting. But we're so pleased that you're here today.
22 Welcome to this meeting.

23 Members, everyone knows that we face a challenge
24 related to funding, and the Federal Government
25 traditionally, allocates approximately \$50 billion per year

1 in infrastructure funding, and so we're watching closely how
2 Congress comes back to this temporary measure that's
3 scheduled to expire May 31st of this year, the MAP-21. It
4 is difficult for members of Congress on both sides of the
5 aisle to figure out how to continue to pave roads with the
6 system that's currently in place, and with an 18.4
7 cents-per-gallon Federal gasoline tax.

8 Is this has been a traditional tax. This has been
9 a traditional source of funding since the thirties, but has
10 not been increased since 1993. So Congress also faces the
11 fact that engines are more fuel-efficient and there's fewer
12 dollars to go around. The gas tax brings in around \$34
13 billion annually to its current level, and lawmakers have a
14 \$16 billion-per-year infrastructure funding hole to fill.

15 So I just wanted to let the record -- so I do
16 agree with Secretary Fox's statement that we can't continue
17 to stay focused simply on maintenance, but we do need to
18 continue to look at new capacity, as well, and, clearly,
19 this will take a strong collaborative effort between our
20 agency and the federal and local governments. Thank you.

21 MR. AUSTIN: Good morning, everyone. And, Judge,
22 Bruce, welcome. I look forward to working with ya'll and I
23 know if somebody says it's like drinking water out of a fire
24 hose, double that, it is.

25 (Laughter)

1 MR. AUSTIN: To everybody that's here, I know
2 Pearland, welcome, and I know that many of us have
3 participated being -- coming with Chambers down to find out
4 what's going on in Austin, to visit with me. I know some of
5 the legislators here, but it is important.

6 But I also want to thank our staff -- at different
7 times are going and meeting with these delegations. I know
8 I have attended some and many TxDOT folks with there from
9 Rockwall, Denton, Nacogdoches, East Texas Coalition -- I'm a
10 little partial there, Nacogdoches. But there's a lot of
11 folks that want to hear what's going on; what are the plans;
12 what's funding; what does it mean to me in my area.

13 So thank you to our staff for taking the time and
14 our district folks who really prepare a lot of data to help
15 make this happen. And we need your input to move forward.

16 We have a lot of chairmen in the audience today.
17 I know Thompson, Murphy, Williams, former Chair Delisi, and
18 then we have Bill Meadows back here from the Meadows Plex,
19 so, anyway, welcome back, Bill.

20 (Laughter)

21 But thank ya'll and to the staff for keeping our
22 roads -- keeping Texas moving during the winter storms.
23 We're not out of the woods yet, but thank you to our staff
24 for keeping everybody safe.

25 MR. UNDERWOOD: I appreciate your comments on

1 safety because it is important this time of year, especially
2 when everybody is bundled up and you're still out working on
3 the roads. So to our staff and men and women that work out
4 there, please be careful. I want to thank Pearland, as you
5 said, for being here. Would ya'll hold up your hands? I
6 met -- yeah, exactly. Isn't that great?

7 That makes our job so much easier as
8 commissioners, or whether you be a legislator, when your
9 community works together and has the same voice, it makes it
10 so much easier to work and get things done, because if you
11 have one person saying, Turn left and another group saying,
12 Turn right, as a legislator, you don't have much credibility
13 with your fellow legislators. But when ya'll are on the
14 same page, it makes it so much easier, and for us, because
15 we listen to you, it makes it so much easier for us as a
16 Commission.

17 Again, welcome to the new gentlemen, Bruce, Tryon.
18 I'm excited for you. It's a fun trip. We have the best
19 organization, government organization in the country, I
20 think, and I can base that off of having worked with the
21 Cotton Council, and even with the Commodity Credit, with the
22 USDA, through the bank, dealing with the State regulators,
23 the State auditors, State federal auditors, TxDOT has the
24 best people, top to bottom, so you're really going to enjoy
25 it.

1 I got up this morning and I looked in the mirror
2 and realized that I have been doing this for eight years,
3 you know, and mirrors don't lie.

4 (Laughter)

5 I'm just glad they don't laugh, but, again, thank
6 ya'll. It's great to have a good audience here.

7 I always like to end with thoughts -- our Chair,
8 you know, he's very subtle, and I just wanted to leave you
9 with a couple of thoughts Chair. Do you realize that people
10 have -- that people that have more birthdays live longer?

11 (Laughter)

12 It's taking him awhile. He'll get it in a minute.
13 Sometimes if you get your hands up, they won't go up over
14 your head.

15 (Laughter)

16 One last thought, Ted: Remember, you can't take
17 it with you, because if you could, funeral hearses would
18 have roof racks and trailer hitches.

19 (Laughter)

20 So, Mr. Chair, it's all yours.

21 MR. HOUGHTON: Very profound, Fred.

22 (Laughter)

23 Quite profound.

24 Welcome, everyone, to our guests and Members of
25 the Legislature, I forgot to say that if you choose to speak

1 today, we usually limit to three minutes, but for you,
2 Representative Murphy, you can have all day long.

3 (Laughter)

4 You've been a great supporter of transportation;
5 thank you very much.

6 I would like to just open a little bit. We saw
7 something very historic happen -- and I call it historic --
8 is that in November, we approved Prop 1. Today, just a few
9 minutes down that road, we will fully allocate \$1.74
10 billion -- John? Russell? \$1.74 billion, fully allocated.

11 So in the span of about three months, we are going
12 to have people working. We will have more construction
13 going on or awarded construction going on than we've had in
14 a very, very long time. And it is truly remarkable what our
15 Department -- and just to give you some of the ideas of the
16 vastness: 800 miles of rehabilitated highway lanes; 500
17 miles of new highway lanes; 64 bridge replacement projects;
18 18 super-two widening projects in rural areas that will add
19 another 159 miles; and we plan to improve the conditions in
20 many of these areas that can reduce the number of crashes,
21 resulting in fewer fatalities and injuries. So, profound,
22 the amount of work that's going to be blowing out the door
23 beginning today, hopefully, if we approve it. I'm not
24 telegraphing anything, but we'll take that up soon.

25 All right. Now we're going to take a few things

1 out of order, General. We're going to have the
2 acknowledgement of services. Our retirees are going to be
3 number 1. Your eulogy, Fred, will be number 2.

4 (Laughter)

5 And then we'll take up project update on State
6 Highway 249. We know we have some visitors from east of
7 here, Grimes County, Brazos County and Texas A&M, so we'll
8 take that up number 3. And then after that, Item 4 will be
9 Item 11, will be the award of the toll road -- hopefully,
10 the award or the announcement.

11 So Item -- Katie -- so be on-point, Katie Nees,
12 that Item 11, which is Montgomery County Toll Road, Harris
13 County Toll Road, Item (b), and Item (c) will also be State
14 Highway 360 in the Metro area.

15 So the retirees, General, it's all yours.

16 GENERAL WEBER: Thanks, Chairman.

17 We're going to commence with Item 4(a), and this
18 is a resolution honoring someone, he's probably one of
19 the -- he's a great engineer in the Texas Department of
20 Transportation and he's retiring out of the Houston
21 District, engineer Mike Alford.

22 And Deputy Executive Director John Barton is going
23 to present this resolution to Mike.

24 MR. BARTON: Thank you, General Weber.

25 Chairman Houghton, Members of the Commission, what

1 an honor it is for me today to share with you some
2 resolutions and recognitions of Mike Alford, and I believe
3 we probably have some guests who would like to add to the
4 complements and accolades for Mike.

5 So at this time, I would like to ask one of my
6 dearest friends, colleagues, and mentors to join me at the
7 podium, Mike Alford, our district engineer from the TxDOT
8 Houston District. Mike, if you'll come on up.

9 I have -- it's going to take a while because there
10 are were a lot of people who wanted to say a lot of things
11 about Mike and I limited it to only those who wanted to say
12 nice things about Mike, but we do have several of those.

13 (Laughter)

14 And I wanted to start with presenting Mike a
15 resolution from the Commission for his outstanding service
16 to the Department for over 33 years. And, Mike, this is the
17 resolution; I'm going to read it to everyone, and then we
18 have a few more that I would like to share with you. So,
19 Mike, congratulations.

20 (Applause)

21 Mike has had a very distinguished career with the
22 Department. I think it's only appropriate that I share with
23 the audience, this resolution, in its entirety, and then
24 mention a few others. And as I said, I believe we have some
25 guests who would like to also say a few things before we

1 allow you to make comments from the Commission, and to hear
2 from Mike.

3 The resolution that you've prepared for him today,
4 Commissioners reads:

5 "Whereas, the Texas Transportation Commission
6 takes great pride in recognizing Michael W. Alford, P.E.,
7 for his outstanding service to the Texas Department of
8 Transportation after a distinguished career of 33 years,
9 most recently, as the Houston District engineer;

10 And, whereas, Alford earned his bachelor's degree
11 in civil engineering from Texas A & M University in 1982 and
12 became a licensed professional engineer in 1986

13 And, whereas, Alford, as a career employee of our
14 Houston District, where he started as a summer employee in
15 1979 and joined TxDOT full-time in 1982 as a project
16 engineer in training with the La Marque residency, and
17 rapidly was promoted to assistant resident engineer;

18 And, whereas, in July, 1988, he held the position
19 of district construction staff engineer and moved to the
20 Waller/West Harris County area office, as the area engineer
21 in December, 1993

22 And, whereas, prior to his appointment as the
23 deputy district engineer in February of 2009, Mike served as
24 this district's director of maintenance where he was
25 responsible for maintaining contracting, operations, the

1 Galveston-Port Bolivar Ferry operations, facilities,
2 maintenance, equipment, emergency management, and other
3 duties;

4 And, whereas, in November, 2011, he was named
5 Houston District engineer, overseeing the planning,
6 designing, building, operation, and maintenance of the state
7 transportation system in the six-county district;

8 And, whereas, Alford's engineering and management
9 talents helped advance TxDOT's mission to provide safe and
10 reliable transportation solutions for Texas;

11 Now, therefore, be it resolved, that the Texas
12 Transportation Commission does hereby extend its sincerest
13 best wishes to Michael W. Alford, P.E., in recognition of
14 his professional achievements in a career of loyal service,
15 on behalf of the State of Texas and its citizens, presented
16 this day, Thursday, the 26th day of February, 2015."

17 Mike, congratulations on such a tremendous and
18 successful career.

19 (Applause.)

20 Just a few more recognitions that I would like to
21 share with you. One of our previous commissioners, now
22 chairman of the Senate Transportation Commission, well-known
23 and respected leader in transportation, Senator Robert
24 Nichols, also crafted a Senate resolution, number 203, of
25 this, the 84th Legislature, to present to Mike at the

1 appointment of his retirement. And I will not read it in
2 its entirety. Many of the accolades that are noted in this
3 resolution were contained in yours, as well, but I would
4 like to point out that what a high honor for one of TxDOT's
5 best and brightest to receive recognition by the Senate of
6 the State of Texas, and to have been given that honor
7 through the leadership and crafting of this resolution from
8 Senator Robert Nichols.

9 So, Mike, here's a copy of this resolution, and I
10 think we have another for you that can be framed, and,
11 again, congratulations. And I think that the whole Senate
12 joins Senator Nichols in thanking you for your service to
13 this State.

14 (Applause)

15 I also have the honor of sharing with you, a
16 proclamation from Fort Bend County and the Office of the
17 County Judge. And this is what Judge Hebert and his
18 colleagues on the Commissioner's Court crafted as a
19 proclamation from their county, which is part of our Houston
20 District, and I would like to read it to you. It says:

21 "Whereas, Fort Bend County is honored to recognize
22 Mike Alford for his service to the Texas Department of
23 Transportation and to Fort Bend County;

24 And, whereas, during his tenure of 33 years, Mike
25 has truly made a positive difference in transportation,

1 knowing the needs of Fort Bend County and how to get the
2 resources to handle those needs;

3 And, whereas, his leadership style quickly gained
4 the trust of those around him, and he led an effort to share
5 TxDOT property with our Fort Bend County Public
6 Transportation Operation, a move that resulted in
7 partnerships recognized in a new and positive way;

8 And, whereas, Mike's commitment and leadership are
9 testaments to his outstanding work and service to the
10 Greater Houston area;

11 Now, therefore, be it resolved, that the
12 Commissioner's Court of Fort Bend County, Texas, does hereby
13 salute Mike Alford for his invaluable contributions to this
14 great country."

15 Mike, congratulations.

16 (Applause)

17 Likewise, there's a letter here from Judge
18 Sebesta, from Brazoria County. I would like to read it into
19 the record for you, and I know that Judge Sebesta is here
20 and would share these sentiments with your directly.

21 "Mike, please accept my congratulations on your
22 retirement. I appreciate your leadership and the projects
23 that you have undertaken in Brazoria County and our region.
24 Your dedication to your job has proven to be invaluable to
25 all of us that are trying to improve transportation in our

1 area.

2 You have been an excellent mentor to many young
3 engineers and have provided them with the skills to meet our
4 future transportation needs. Your influence will continue
5 for many years to come. I hope you enjoy your family,
6 fishing and hunting and all the other great things that will
7 come your way in retirement.

8 You will be blessed, sincerely, Matt Sebesta,
9 Judge of Brazoria County."

10 (Applause)

11 And then, finally, before I turn the podium over
12 to others that might be here to speak on Mike's behalf,
13 something that I will envy and be jealous of for the rest of
14 my life, so thanks a lot for putting me in that position,
15 Mike.

16 (Laughter)

17 This is a proclamation from Harris County, and I
18 will not read it in its entirety, but it starts by
19 recognizing Mike for his outstanding leadership as Houston's
20 district engineer; acknowledging his successful educational
21 career at Texas A & M University; and his many career
22 achievements within the Department; also mentioning his
23 award-winning services in developing an incident-management
24 facility and operation for the Greater Houston area through
25 Houston TranStar and the TxDOT Department of operations that

1 support that.

2 It goes on to discuss Mike's leadership during
3 emergency situations. Just a few things that some of you
4 may remember like Tropical Storm Allison in 2001, or
5 Hurricanes Katrina and Rita in 2005, or Hurricane Ike in
6 2008, and as I thought about that, Mike, they may be glad
7 you're leaving because you seem to bring storms around.

8 (Laughter)

9 But Mike did play an instrumental role in managing
10 those events for the Greater Houston area and for the State
11 of Texas.

12 But it closes by saying this, that -- and I'll
13 read it directly -- "I, Ed Emmett, County Judge of Harris
14 County, Texas, to hereby proclaim Friday,
15 February 27th, 2015, as Michael W. Alford Day in Harris
16 County, Texas, in appreciation of his many years of service
17 to TxDOT in the Harris County region."

18 Mike, congratulations.

19 (Applause)

20 General Weber, I do believe there are a few others
21 that are signed up to speak on Mike's behalf, and to share a
22 few words in appreciation of him. I would just close by
23 saying that it has been a distinct honor and privilege to
24 serve alongside Mike Alford; I had the privilege of working
25 beside him in a companion sister district in Beaumont for

1 several years, and his support, encouragement and mentorship
2 were invaluable, as I was asked to come serve all of Texas,
3 here in Austin, Mike continued to support me and made my job
4 much easier, often times providing me counsel and wisdom in
5 those times that I faced the greatest challenges that I've
6 had to deal with in this time of service.

7 And, so, Mike, your friendship has been invaluable
8 to me. I will forever respect and admire you. You will
9 have my eternal gratitude, support, and loyalty. And I want
10 to thank you on behalf of the 12,000 employees of the Texas
11 Department of Transportation for being one of our best and
12 brightest, for caring for us all, and for always setting an
13 example that the rest of us can emulate and try to live up
14 to. Mike, you're a great man.

15 (Applause)

16 MR. HOUGHTON: Hold on. Hold on. We have several
17 people that would like to speak: Jack Drake, chairman of
18 Green Light Houston.

19 MR. DRAKE: Hi, Mike.

20 MR. ALFORD: Hi, Jack.

21 (Laughter)

22 You've got three minutes, Jack.

23 (Laughter)

24 MR. DRAKE: Okay.

25 (Laughter)

1 I have the privilege of being chair of
2 Transportation Advocacy Group, Houston region, TAG. Our
3 mission is to obtain adequate funding for our region's
4 transportation infrastructure or secure the authority to
5 fund needed improvements locally.

6 But so that you do not think that we are radicals,
7 I want you to know that our advisory council is headed by
8 former commissioner, Ned Holmes, and former Houston District
9 engineer, Gary Trietsch, and we have not embarrassed them
10 yet. Now, TAG is here for Green Light Houston day and TAG
11 is not alone.

12 As you already know, and as our partners stand, I
13 will tell you -- partners, please stand, please -- we are
14 here in force, we represent TAG. Bay Area Houston
15 Transportation Partnership, known as BayTran; Highway 36A
16 Coalition; 249 Texas; the Greater 288 Partnership; the
17 Houston-Galveston Area Council is our partner, as is
18 Commissioner Jeff Moseley.

19 TAG is also here to recognize Mike Alford. Now,
20 mostly, in truth, he promised to take us all to dinner if we
21 made a big deal out of him and his departure today, and he
22 already knows what we like to eat.

23 (Laughter)

24 Now, while we have a formal proclamation -- it
25 really is right here and it's signed, and we will give it to

1 you -- I want to speak plainly. When he assumed the Houston
2 helm, I asked Mike Alford how to pronounce his name and
3 "It's always Alford," he said, and I can tell you that Mike
4 has always been steady, and he was always ready to listen;
5 to speak in a language we all understood; to stretch a
6 dollar; to move a cone if it would help the public and still
7 keep things moving and safe; to give us cover when we needed
8 it to explain to our neighbors how things worked, what's
9 possible, what's not. He steadied the Houston District ship
10 when things got rocky. Mike also gave it his all.

11 So today, Mike, we say to you and we say to the
12 commissioners that you have served, that we, the good
13 citizens of District 12 appreciate your time with us, your
14 partnership, and your friendship, and we bid you fair winds
15 and following seas. Congratulations, sir.

16 (Applause)

17 Thank you.

18 MR. HOUGHTON: Thank you.

19 Representative Jim Murphy?

20 MR. MURPHY: Chairman Houghton and Commission
21 Members, it's an honor to stand before you and to have an
22 opportunity to talk about my friend, Mike Alford. General
23 Weber, he is one of your best and brightest. I know you
24 inherited him, but you are lucky to have done so.

25 There are a lot of good things on your agenda

1 today. I will tell you, you know, you've got the 249
2 Project; you've got the 288 Project; help for the 6 N Loop
3 in Houston. These are all critical things.

4 I do want to take a moment and say thank you to
5 the Commission Members who have served so well over the
6 years. On behalf of those, your partners in the legislative
7 world, we appreciate the work that you do. You've got some
8 great guys joining you on the Commission, but I don't want
9 you service to go unnoted; it has been a great partnership.

10 And, Chairman Houghton, when you talk about \$1.7
11 billion, that's not to be skipped over; that's a great day
12 for us, and I think with what we're working on right now,
13 there are more great days to come. So let me just kind of
14 set that stage.

15 Mike and I have known each other for 20 years and
16 when I got working with the folks at Westchase District, I
17 had to go work on maintenance issues for our highways and
18 our landscaping, and I had to work through Mike Alford, and
19 he made it easy. And he is a pleasure to work with.

20 I want to tell you the kind of reputation that
21 he's achieved for TxDOT, not just in the Houston region, but
22 around the State. Mike is a good ol' boy, and I mean that
23 as a compliment. He's the kind of person who's word is his
24 bond; who represents integrity; who achieves a culture of
25 service in the folks he works with that makes it easy for

1 those who work with them to do the same. And, you know, I
2 also note that Mike, over those 20 years have moved on to
3 higher office, achieved great things, now district director,
4 now he's retiring, I'm still working with the Westchase
5 folks and I've just got to wonder, you know, what did I do
6 wrong that has allowed Mike to do this? It's because of the
7 character that he exhibits.

8 And I want to be here today to tell you that you
9 are going to have a good man leaving you, but one whose
10 footprints will leave a positive impression in the Houston
11 region and around Texas, so, Mike, thank you for your
12 service.

13 (Applause)

14 MR. HOUGHTON: State Rep. Ed Thompson?

15 MR. THOMPSON: Well, Mike and I met under some
16 really, really contentious times. We had a project going on
17 in our area and Mike took my phone call and I was not real
18 happy, but working with him, he assured me that things were
19 in hand and sure enough, we got some things going. We had
20 some really good meetings, some good discussion. And that's
21 the kind of person that, you know, we need at TxDOT. That's
22 the kind of folks that we need.

23 You know, I heard Tilman Fertitta speak the other
24 night and he talked about customer service and what they do
25 in their Landry's business in how they treat their

1 customers, and I thought, you know, that's something that
2 we, as people in the government, in the state, TxDOT, all
3 the agencies, should take a page out of that in customer
4 service. And Mike has done that. Mike understands that.
5 He understands that customer service and he's going to be a
6 great loss to this organization and to the State of Texas,
7 and I wish him well.

8 (Applause)

9 MR. HOUGHTON: Paula Lenz. Paula, North Houston
10 Association.

11 MS. LENZ: Thank you so much.

12 Mike, good to see you.

13 MR. ALFORD: Good to see you.

14 MS. LENZ: In celebration of Michael W. Alford's
15 long career with the Texas Department of Transportation and
16 for his years at the district engineer for the Houston
17 District, I am here to present to Mr. Alford, a resolution
18 on behalf of the North Houston Association Board of
19 Directors.

20 While our resolution recounts Mr. Alford's career
21 history and numerous career accomplishments, many of which
22 have already been recounted here, I would call out one of
23 the accomplishments noted on our resolution: He is the only
24 TxDOT district engineer to achieve two consecutive years of
25 a billion-dollar letting and a projected third year for

1 fiscal year 2015; that's a lot of projects.

2 I present to Michael Alford our resolution
3 honoring him for his outstanding dedication to mobility
4 improvements during his service as district engineer for the
5 Houston District of the Texas Department of Transportation,
6 as signed by Alex Sutton, our Chairman of the Board, and Jon
7 Lindsay, president of the North Houston Association. Thank
8 you for everything, Mike.

9 (Applause)

10 MR. HOUGHTON: The floor is yours, Mike.

11 MR. ALFORD: I appreciate all the recognition and
12 I'll try to hold this down to the three minutes of comments.
13 For the record, I'm Mike Alford, Houston District engineer
14 for about another day and a half.

15 (Laughter)

16 I'm on the clock until 11:59 on February 28th.
17 Hopefully, we will not have any emergencies during that time
18 period. Just like Mr. Barton said, my ten-plus years as
19 director of maintenance, I had the opportunity to work
20 freezes, floods, fires, and a couple hurricanes and tropical
21 events during that time period.

22 Since I left being the director of maintenance, I
23 don't think any of my directors of maintenance have worked
24 one hour of overtime for a tropical event --

25 (Laughter)

1 -- and so that just reinforces your theory.

2 Chairman Houghton and Members of the Commission
3 and General Weber, thank you for the many opportunities
4 you've afforded me, and I really thank you for the
5 responsibility and the authority that you've given me to
6 handle of my job duties, as you saw fit to give me.

7 For John Barton, thank you. He is to blame; he is
8 the one who hired me for this position. And, John, your
9 leadership, your friendship to me, and your guidance, and
10 occasionally, the kick-in-the-butt, thank you. But more
11 importantly, thanks for the pats on the back, also.

12 For all of my partners sitting in the audience
13 today -- I know they all didn't come up here to hear me
14 talk -- Representative Miles, Representative Murphy,
15 Representative Thompson, and Senator Williams, thank you. I
16 know ya'll provided a lot of support to me and my employees,
17 and more importantly, to all the employees for the State of
18 Texas, you know, I appreciate your guidance that you've
19 given me, your encouragement, and the support that you've
20 provided to me throughout my career.

21 To the TxDOT district employees -- I do actually
22 have some in the audience and I think they're here just to
23 make sure that I'm going to retire --

24 (Laughter)

25 -- and hopefully, they'll let me take back all of

1 these recognitions. You know, all of these plaques -- to
2 the employees who are here in back of the district, all
3 these plaques, it's a recognition of ya'll's hard work and
4 the dedication and the highest integrity that ya'll bestow
5 upon TxDOT every single day.

6 For that, my last profound word, and Commissioner
7 Underwood, I looked in the mirror this morning, and, you
8 know, when I first came to work for TxDOT, I had black hair
9 and I had all of it. And as I look in the mirror, I can
10 only say thank you for all that you've done for me and for
11 my family, but thank you, thank you to everybody.

12 (Applause)

13 MR. UNDERWOOD: Thank you, Mike.

14 MR. HOUGHTON: I just have one question. Who
15 announced that a billion dollars consecutively for two years
16 now -- three years coming?

17 MR. ALFORD: Should be three years.

18 MR. HOUGHTON: Should be?

19 So you and Moseley have been working hard, haven't
20 you?

21 (Laughter)

22 What have you been doing, Moseley? I didn't know.

23 Okay. The next presentation?

24 GENERAL WEBER: We have another -- the next
25 resolution, Chairman, is for our retiring International

1 Relations Officer Director Jorge Garcés.

2 Deputy Executive Director John Barton, again --
3 John, would you please do the honors?

4 MR. BARTON: Thank you, General Weber.

5 And I would ask Jorge to join me here at the
6 podium. Jorge came on to work for the Department to take
7 over leadership of our International Relations Office and
8 has done a tremendous job at building relationships with our
9 brothers and sisters across the globe, and, obviously, the
10 very important cooperative relationship that we have with
11 our sister-country to the south, Mexico.

12 The staff under Jorge's leadership, have done a
13 tremendous job and continue to grow those relationships as
14 we see more and more international trade and activity
15 between the United States, Mexico, and Latin America.

16 So it's my honor today to share with you a
17 resolution, Jorge, from the Commission, in recognition of
18 your service to the great state of Texas, and most recently,
19 as a member of the Department and the leader of our
20 International Relations Office. So let me provide this to
21 you and I would like to read the resolution into the record
22 for the audience. Thank you.

23 (Applause)

24 It's always challenging for me when Jorge stands
25 next to me because he's just a handsome man and it brings

1 out all of my flaws even greater, so thanks for standing
2 next to me Jorge; I hope some of it spills over onto me

3 This is what the resolution says, Commissioners
4 and Chairman Houghton:

5 "Whereas the Texas Transportation Commission takes
6 great pride in recognizing Jorge Garcés for his service to
7 the Texas Department of Transportation, in the state of
8 Texas, after a distinguished career totaling 24 years of
9 service;

10 And, whereas, Garcés earned a bachelor's degree in
11 history and political science in 1968, a master's degree in
12 Latin American studies in 1972 from the University of Texas
13 at Austin, and a master's degree in public affairs from the
14 University's Lyndon B. J. School of Public Affairs in 1977;

15 And, whereas, in February, 2013, he was named
16 director of TxDOT's International Relations Office;

17 And, whereas, Garcés has served as the
18 Department's primary liaison for Federal, State, and Local
19 Government entities, foreign governments, public-private
20 businesses, and interest groups regarding border issues and
21 matters of international nature that impact Texas;

22 And, whereas, he has also served the State in
23 numerous capacities, including manager of Mexico and Border
24 Affairs for the Texas Secretary of State, executive director
25 of the Border Trade Alliance, director of Texas-Mexico

1 development in the Office of the Governor, and coordinator
2 for Mexico and Latin America in the Texas Department of
3 Agriculture's Marketing Division;

4 And, whereas, Garcés joined TxDOT after retiring
5 as managing director and chief executive officer of the
6 North American Development Bank;

7 And, whereas, he received a 2005 distinguished
8 public service award from the LBJ School of Public Affairs;

9 And, whereas, Garcés has been a dedicated and
10 loyal member of the Texas Department of Transportation
11 family and a true public servant of the State of Texas;

12 Now, therefore, be it resolved, that the Texas
13 Transportation Commission does hereby extend its sincerest
14 best wishes to Jorge C. Garcés in recognition of his
15 professional achievements in a career of loyal service on
16 behalf of the State of Texas and its citizens, presented
17 this day, Thursday, the 26th day of February, 2015."

18 Jorge, thank you for your service.

19 (Applause)

20 MR. GARCÉS: Well, I know the Commission has a lot
21 of business to tend to, so I'm going to be very brief. I
22 want to say that I did enjoy my years with TxDOT and my
23 years previous of this that with the State of Texas, like he
24 said, serving in various capacities. In addition to that, I
25 spent ten years with the North American Development Bank

1 representing the United States Government as a managing
2 director -- deputy managing director. So I leave the State
3 and Government service with a lot of good memories.

4 I want to follow the -- I want to take
5 Commissioner Underwood's advice that you can't take it with
6 you, so I'm going to start my new career as a retiree as
7 soon as possible, so thank you very much and thank you
8 again.

9 (Applause)

10 MR. HOUGHTON: All right. Is James Bass around?
11 Has anybody seen James?

12 And we do want to have -- are we going to have
13 pictures? When do you want to do these pictures, later on?
14 Do you want to do them right now? Let's do the pictures
15 right now.

16 If you'll indulge us, Mike, Jorge, come on up,
17 we'll do some pictures here with the Commission. Jorge,
18 come here, let's go do pictures.

19 (Pause.)

20 GENERAL WEBER: Okay. Mr. Barton, if you would
21 please continue?

22 MR. BARTON: Thank you, General Weber, and
23 Chairman, Members of the Commission.

24 I am excited beyond description to be able to
25 present this next resolution. This is a first-time event,

1 an unprecedented occasion, and is in recognition of an
2 individual who comes to work every day to do his very best
3 for the great state of Texas. The 12,000 minimum who are
4 fortunate to work for the citizens at the Texas Department
5 of Transportation all do great jobs and I'm very, very proud
6 to serve alongside all of them.

7 Over the past eight years, I've had the honor and
8 privilege of serving the State as the Deputy Executive
9 Director and a few other titles that are extremely long, but
10 each day, shoulder-to-shoulder, side-by-side, was able to
11 spend time with an individual that I consider not only a
12 friend and a mentor, but a brother in every sense of the
13 word. His accomplishments are numerous; too many to account
14 today. His loyalty to this agency, to his family, and to
15 the citizens of Texas are second to none, and the
16 accomplishments, the benefits that he has brought to this
17 organization and to this great state are overwhelming and
18 significant, but are far too often unrecognized and taken
19 for granted.

20 And so I have the privilege, honor, and
21 distinction to present today a resolution to my friend, my
22 brother, and my colleague, James Bass, our chief financial
23 officer. So, James, if you would come forward and stand
24 beside me, I would like to read in a resolution in your
25 honor.

1 (Applause)

2 As I said, this is a resolution presented on
3 behalf of the Commission in honor of James, and I would like
4 to read it into the record for you. This is an
5 unprecedented event, as far as I know, the first resolution
6 of commemoration for distinguished service to one of our
7 best and brightest.

8 "Whereas, the Texas Transportation Commission
9 takes great pride in recognizing James M. Bass for his
10 outstanding service to the Texas Department of
11 Transportation and the State of Texas;

12 And, whereas, Bass began his TxDOT career in 1985
13 working summers in the Fort Worth District;

14 And, whereas, after graduating from the University
15 of Texas at Austin with a bachelor's degree in accounting in
16 1981, Bass began full-time employment with TxDOT as an
17 accounting clerk in the Finance Division's Revenue
18 Accounting Section, continuing to progress through TxDOT's
19 ranks and now serves as the agency's chief financial
20 officer;

21 And, whereas, for three months in early 2014 he
22 served with honor and integrity as TxDOT's interim executive
23 director;

24 And, whereas, under his leadership, TxDOT has
25 transitioned from a traditional pay-as-you-go-funding

1 approach to one that is much more sophisticated, and is
2 dependent upon, in part, highly complex, financial analysis,
3 and bonding programs, allowing for the delivery of
4 nationally renowned major public-private partnerships and
5 alternatively delivered projects;

6 And, whereas, Bass also led the effort to develop
7 structure and implement TxDOT's three major bond programs,
8 resulting in billions of dollars' worth the projects being
9 delivered earlier and at less cost than originally
10 anticipated;

11 And, whereas, as a result of his efforts, each of
12 these bond programs have Triple A ratings, enabling the
13 agency to borrow funds at the lowest possible cost to the
14 citizens of Texas;

15 And, whereas, most recently, Bass guided his team
16 to refinance some of TxDOT's debt, resulting in
17 approximately \$1.6 billion in gross savings;

18 And, whereas, Bass consistently represents this
19 agency with distinction and professionalism before the Texas
20 Legislature, the United States Congress, and other
21 professional groups and organizations;

22 Now, therefore, be it resolved that the Texas
23 Transportation Commission does hereby extend its sincerest
24 gratitude to James M. Bass in recognition of his
25 professional achievements and continued meritorious service

1 to the State of Texas and its citizens, presented this day,
2 Thursday, the 26th day of February, 2015."

3 James, congratulations on all you do, and we thank
4 you.

5 (Applause)

6 MR. BASS: Thank you. I'm just quite pleased to
7 find out it's not an unanticipated retirement resolution.
8 That's a good thing.

9 (Laughter)

10 Thank you. I am touched and moved beyond belief.
11 It's been a, and continues to be, a true honor to serve the
12 people of Texas at the Texas Department of Transportation,
13 to have an opportunity to work with an amazing group of men
14 and women every day, including the current Commission and
15 past Commissions. But what's impressed throughout my career
16 at TxDOT, whether it was a summer inspector working on a
17 construction site or working in the area engineer at a
18 direct headquarter facility or in the Finance Division, it's
19 the pride that the men and women of TxDOT take in their job
20 each and every day that makes it a true honor and privilege
21 to work with them for the people of Texas.

22 My career at TxDOT had brought many opportunities
23 and gifts to me and my family. The greatest amongst those
24 would be my lovely bride, who I met on the third floor of
25 this building, when we both worked for the budget section

1 and the Finance Division. So TxDOT is a huge part of our
2 life, and we are very honored and privileged to work here,
3 and thank you for the recognition -- uncalled for -- but
4 thank you very much.

5 (Applause)

6 MR. AUSTIN: James --

7 MR. BASS: If I may, quickly? This is my
8 14-year-old son, Kinkade; my wife Patty; and our daughter,
9 Madison, who is 13.

10 (Applause)

11 MR. AUSTIN: Welcome.

12 James, before you sit down, the magnitude of what
13 you do -- and I think it's great to say this in front of
14 your family -- is we go through, discuss projects, large and
15 small, of one of the most frequent things. It's not what
16 did John Barton say? It's not, what did the General say?
17 Has James had a chance to look at it and bless it yet?

18 And for those of ya'll who really know, he is the
19 guy. One of the greatest compliments that could be given
20 came to Fred and I yesterday at the audit committee. We
21 received, from our external auditor, our audited financials.
22 And we asked him some interesting questions. Afterwards, I
23 met with the auditor and one thing: How's our team doing?
24 Is there anything that I need to know? Before I could
25 finish, under James Bass and his team, you have great

1 financials; you have great staff. You couldn't get any
2 better external endorsement than that, and I echo that, so
3 thank you for what you do.

4 MR. BASS: Thank you, I appreciate that.

5 (Applause)

6 I'm fortunate, as you know, to work with Brian
7 Ragland and his team at the Finance Division. Brian leads
8 those efforts on a daily basis, and it's an honor to work
9 with him, as well.

10 MR. UNDERWOOD: James, one last thought. I
11 remember, and you do too, 2007, and the fun we had.

12 MR. BASS: February 2nd, I believe it was.

13 MR. UNDERWOOD: Yes, sir.

14 And all the grief -- I just want you to
15 understand, James took a lot of heat for something he had no
16 control over and he did it with class. He did it without
17 malice.

18 And I want to tell you what a first-class
19 gentleman you are. And it's something that I just noticed,
20 that it's amazing the men in your family know how to improve
21 the gene pool by over marrying.

22 (Laughter)

23 MR. BASS: Yes.

24 MR. UNDERWOOD: So, anyway, congratulations and
25 also, thank you for what you do, the service you do, and how

1 you do it, and how you uphold the classy part that we have
2 in TxDOT, and so I appreciate it.

3 MR. BASS: Thank you.

4 MR. UNDERWOOD: And to the family, thank you for
5 the loan of your husband. I know there were times where it
6 is kind of like a dose of medicine, but we really needed him
7 and he's done a great job, so thank ya'll.

8 MR. HOUGHTON: I don't think that anyone will have
9 a true appreciation of what James does. When I first came
10 to TxDOT almost 12 years ago, I said, Where's our chief
11 financial officer -- remember that -- and he said, We don't
12 have one. And this is the early-on days of the programs,
13 the bonding programs that he put in place and I said, We
14 better get one.

15 And the best CFO that anybody could ever have,
16 James, you've been a true gentleman in every way, in the way
17 you present yourself and represent this Department. And my
18 congratulations to you. It has been a whole lot of fun
19 working with you, and to your family, beautiful family,
20 thank you very much.

21 MR. BASS: Thank you very much.

22 MR. MOSELEY: James, I just wanted to add, we're
23 recognized as being, I think, the largest engineering firm
24 in the world, and then there's the rest of us. So thank you
25 for what you do. This award symbolizes all the other team

1 members that are here, maybe not always as obvious as the
2 engineers and the people out actually building the roadways,
3 but the important work that's done here at the
4 administration. And the fact that you've been able to
5 refinance so many of the bonds and save significant funds to
6 the taxpayers is something that absolutely is a dramatic
7 accomplishment. So congratulations on this award. I'm so
8 pleased that your wife and family could be here today.

9 MR. BASS: Thank you. Again, I would be remiss,
10 unfortunate that I'm often times the face in front of the
11 Commission for the hard work of Ben Asher and his team in
12 the Debt Management Office who are actively managing our
13 portfolio on behalf of the State and looking for all the
14 opportunities to save money.

15 MR. HOUGHTON: Thank you, again, very much.

16 MR. BASS: Thank you very much.

17 (Applause)

18 GENERAL WEBER: John, would you please continue
19 with Item 3?

20 MR. BARTON: All right. I think this is why most
21 of the people are here in the audience today. Again, it's
22 my honor to provide a little bit of a commentary on a couple
23 of gentlemen who have served the State of Texas on a
24 volunteer basis for the last several years and have done a
25 great job of helping lead this organization. The employees

1 of the Department wanted to present to Commissioners
2 Underwood and Chairman Houghton, some mementos as special
3 recognition for your service over the past several years.

4 So the first would be for Commissioner Fred
5 Underwood, our rural commissioner from Lubbock, Texas. And
6 I've had the honor of working under the leadership of
7 Commissioner Underwood for the past eight years. He has
8 been a gentleman with great wisdom and counsel to provide to
9 me. I've enjoyed the entertainment value that he brings to
10 the Commission meetings, as he shares his opening remarks,
11 and have wondered often and worried greatly for him, in
12 fact, most of my prayer time each morning and evening is
13 devoted to Commissioner Underwood, making sure that he's
14 able to survive his wife's cooking, as he so often shares
15 with us.

16 Commissioner Underwood, you know that you're the
17 employees' commissioner. You have spent so much time and
18 energy focusing in on the 12,000 men and women of this
19 agency all across this state; those that serve on the
20 frontlines every day, all the way to those who work here in
21 the central offices and in the administration. Your focus,
22 commitment, devotion, and passion about safety has enabled
23 us to be a best-in-class organization in terms of the safety
24 program, not only for our employees, but for the traveling
25 public.

1 Your attention, support, and encouragement for
2 investing in the maintenance of our system has kept us
3 focused on that very important concern that we must maintain
4 what we have already built. And your examples that you have
5 set for us in terms of customer service, collaboration, and
6 cooperation, have inspired us all to higher levels of
7 customer service.

8 And you've put us all on the path to find that
9 photo that inspired you to share that term so often, by
10 which we can benchmark the things we do in terms of their
11 appeal, glamour, and public concern, and that is a chicken
12 wearing socks and how sexy that may be.

13 (Laughter)

14 So on behalf of the Members of the Department's
15 employment, I would like to share with you a special memento
16 in recognition of your service to this Department, as your
17 term comes to a conclusion, and to thank you, both
18 personally and professionally, for the service you've
19 provided to us.

20 So if you'd come forward, I would like to share
21 with you, this memento.

22 (Applause)

23 MR. UNDERWOOD: What John's talking about is I
24 would make speeches about safety we have towards our people,
25 and I said safety is about as sexy as socks on a rooster,

1 but it's so critical for the safety of the road, so thank
2 you.

3 (Applause)

4 MR. BARTON: Thank you, Commissioner Underwood.

5 And, Chairman Houghton, over the last 11 years,
6 you have voluntarily served the great State of Texas,
7 providing leadership for this Department and its employees.
8 Again, I've had the privilege of working under your
9 leadership directly for the past eight years, and have
10 learned so much from you in terms of how to problem-solve,
11 and to address challenges head-on in an expeditious and
12 forthright manner.

13 The name that your colleagues have provided and
14 given to you as the gladiator, is one that I think will live
15 on in perpetuity within the agency, and it's a recognition
16 of your tenacity and your character as driving change and
17 being a driver of getting to the end of the solution.

18 Also, I will forever remember, and I think the
19 employees of this agency will continue to search for the
20 burial site of the road fairy that you killed in South Texas
21 one day. And as your term comes to an end, I will remember
22 so many things, but each morning when I wake and throughout
23 the day, repetitively, and then as I lay my head down to
24 sleep for a few hours each night, I hope someday I'll be
25 able to do so without that common and most-endearred phrase

1 running through my mind as I've answered the phone when you
2 have called so often and you start the conversation saying,
3 "Barton ..." so that resonates with me.

4 (Laughter)

5 I never knew if the conversation was going to be
6 good or bad, but the opening was always the same.

7 So, Chairman Houghton, again, a memento from the
8 employees of this Department in appreciation for your
9 leadership for the past several years, and for all the great
10 things that we have been able to accomplish. For the
11 audience, these are maps of the state of Texas with
12 photographs embedded in our 25 district geographic regions,
13 that the districts felt like represented the things that
14 were special to them, that you, Chairman Houghton, and you,
15 Commissioner Underwood brought to them. So I would like to
16 share this with you.

17 And one last thing, as we had our 2015 Texas
18 Transportation Forum a few weeks ago, the unquestioned
19 highlight of that event was the breakfast discussion that
20 the three of us had and I've got a DVD of that for your
21 keeping and entertainment value and enjoyment over years to
22 come. But it was the highlight of the forum, and I do want
23 you to know there is a record of everything you said.

24 (Laughter)

25 MR. UNDERWOOD: Is there any way that we can

1 delete my wife's cooking comments?

2 (Laughter)

3 I say that because I think I said that the first
4 three years of marriage, everything was supposed to taste
5 like charcoal.

6 (Laughter)

7 (Applause)

8 MR. AUSTIN: May we make a couple of comments
9 about you guys?

10 MR. BARTON: One last thing, if I could,
11 Commissioner -- I'm sorry Commissioner Austin -- I have one
12 last thing to share. This is a resolution that the North
13 Texas Tollway Authority passed a few days ago in recognition
14 of Chairman Houghton for his service, and I would like to
15 read it into the record. Again, this is from the North
16 Texas Tollway Authority Board.

17 "Whereas, the Texas Transportation Commission is
18 the governing body of Texas Department of Transportation
19 celebrating nearly 100 years of outstanding service to the
20 State of Texas;

21 And, whereas, in 2003, Ted Houghton was appointed
22 to the Commission by the governor with the advice and
23 consent of the Texas Senate, and as Chairman of the
24 Commission in 2011, to represent both urban and rural
25 communities;

1 And, whereas, Chairman Houghton and the Members of
2 the Commission have been called upon to engage elected
3 leaders to advance significant mobility projects throughout
4 Texas;

5 And, whereas, North Texas is the fourth largest
6 region in the nation, and one of the fastest-growing regions
7 in the country, with a population of 6.7 million people and
8 a workforce estimated at 3.5 million;

9 And, whereas, one of the pillars of North Texas'
10 economy and vitality is its transportation infrastructure,
11 which is designed to move people and goods;

12 And, whereas, during Chairman Houghton's tenure,
13 the Commission has advanced \$16 billion of much-needed
14 infrastructure in North Texas, which has helped maintain the
15 region's strong economic position;

16 And, whereas, the Commission and NTTA have worked
17 together to deliver regionally significant projects such as
18 the President George Bush Turnpike Western Extension, the
19 Chisholm Trail Parkway, and most recently, State Highway
20 360;

21 And, whereas, these comments underscore the great
22 appreciation of our organization that I have for Chairman
23 Houghton and the Texas Transportation Commission's
24 investment in regional projects under his leadership;

25 Now, therefore, be it resolved, that the North

1 Texas Tollway Authority, acting by and through the governing
2 body, hereby heartily thank Chairman Houghton of the Texas
3 Transportation Commission for his steadfast commitment to
4 the delivery of significant and lasting transportation
5 solutions for North Texas and his exemplary service on
6 behalf of all Texans."

7 And it was signed by Chairman Barr, of the North
8 Texas Tollway Authority, Chairman Houghton.

9 (Applause)

10 MR. UNDERWOOD: While Ted's doing that, I want to
11 make a quick comment. To all the TxDOT employees, I just
12 want to say thank you very much for what you do and what you
13 stand for. Please be safe, be smart, watch out for each
14 other. And also a special thanks to my aides, Zeke Reyna,
15 Colin Parrish, Dan Paschal, for all the work that you've
16 done. I know at some point in time, especially right in the
17 very first, as we got to know each other, you thought, you
18 know, if this guy was the only guy in the room, he still
19 wouldn't be the smartest guy in the room. But I appreciate
20 everything that ya'll have done for me, and thank you very
21 much. So, appreciate it.

22 MR. HOUGHTON: Okay.

23 MR. VANDERGRIFF: We're not done yet.

24 MR. HOUGHTON: Oh, okay.

25 MR. VANDERGRIFF: Just -- I'll be brief. I know

1 all the accolades are out there on both these two gentlemen
2 and others that we have honored before them, but I have to
3 note to Fred Underwood, that all self-deprecating aside and
4 humbleness, he's a man of great character. He really stands
5 strong and tall for what he believes in, and I think first
6 and foremost, perhaps more than I have ever heard from
7 anybody serving in a position like this, he's cared about
8 the people who works here and wanted to be sure that they
9 drove safe, they work safe, and we kept it safe. So, my
10 hat's off to you for that integrity. And my wife will
11 forever love him for having appropriately capturing me and
12 my social tendencies of communication.

13 I think somewhere that the -- and I don't mean any
14 disrespect, but the late Chairman Ric Williamson and our
15 mutual good friend, the former Chairman of NTTA, Paul
16 Wageman, fainted to see that NTTA gave a recognition of Ted
17 Houghton, and I mean that with all respect and I'll explain
18 why. The first time I met Chairman Houghton was about eight
19 years ago and I had just been appointed to NTTA and was sent
20 as an emissary to visit with the Commission. And for those
21 of you who were around back then, that's when the State
22 Highway 121, now the Sam Rayburn Tollway, had been snatched
23 from Cintra and put towards NTTA.

24 And I came in, my first meeting was there was 500
25 people in the room and they're screaming at each other, and

1 I thought, where have I -- what have I done? So I went
2 down, like I like to do, and meet with those who are
3 concerned, and so I did meet with Commissioner Houghton, who
4 had kind of been assigned the task by then-Chairman
5 Williamson, and he basically said pretty much, I don't know
6 you, I don't really like you, but I don't like your agency.

7 (Laughter)

8 And we proceeded from that point forward, so my
9 greeting was a little bit different than Barton, but it was
10 certainly no less -- and we have clearly had some exchanges
11 over the years at NTTA and even a few times here, but I will
12 tell you this: There is no one during the last -- during
13 this millennium actually, who's been more influential, more
14 engaged. His fingerprint is on everything transportation in
15 the state of Texas, and you cannot deny that aggressive
16 leadership during the era that we had has gotten billions of
17 dollars of projects done. So my hat's off to you for that
18 service, sir. Thank you.

19 MR. HOUGHTON: Thank you.

20 MR. MOSELEY: Chairman, I would just simply say,
21 thank you, again, for your willingness to lead during a
22 fascinating time in the state when the Legislature was
23 reluctant to look at new revenue streams, but not reluctant
24 to give new tools. And so you were very, very much open to
25 seeing how much bond packages and how toll roads and how

1 private-public partnerships, and reaching out to our
2 regional transportation partners, how all of these tools
3 could really work effectively to move Texas and to get our
4 mobility going forward, and the billions of dollars that
5 came out of that. And going through back to back sunset,
6 while you were doing all that the true leadership.

7 And so, again, I thank you for that. I thank you
8 for your contributions to the State, and this is a better
9 state because of your leadership. So thank you for your
10 dedicated service. And we know that your family has given a
11 lot because they've probably missed seeing you around.
12 You've spent so much time staying focused on Texas, that we
13 want to say thanks to them for your wife and your family for
14 sharing you with this agency.

15 I also came across some words in a book that
16 describes my colleague, Commissioner Underwood, Chairman.
17 You know, we're always interested in what kind of nuggets of
18 truth that he'll bring to the Commission. And I've been
19 reading a book called Beautiful Outlaws; it's by a New York
20 Times best-selling author, John Eldridge, and he's
21 describing the character and personality of Jesus. But
22 these sentences kind of helped me understand Fred, and he
23 talks about the fact that there's a world difference between
24 being offensive and saying something that offends. A fog
25 horn is offensive at a dinner party, but it is the sweetest

1 sound in the world for a ship lost in a storm.

2 And this set of disruptive honesty is exactly what
3 we need, and more difficult to come by than a winning
4 lottery ticket. And, Fred, thank you for being that
5 disruptive honesty. You have a way of, bringing through
6 humor, the facts that need to be represented and some very
7 complex issues. And even though he's been designated as our
8 rural member, make no mistake, Commissioner Underwood has
9 been very involved in massive projects that might surprise
10 all of us, I-69, Grand Parkway, Harbor Bridge.

11 And so to my colleague, Underwood, I say thank you
12 again for your willingness to lead, and may I tell you that
13 rural has done very well as well, at the same time that he's
14 been here representing that region of our -- very important
15 region of our state.

16 So with that, Chairman Houghton and Commissioner
17 Underwood, I think there's a poetic tribute that the staff
18 would like to finish up on a little bit of a lighter note to
19 thank you for your service. And I think, Ray Joiner, have
20 you agreed to present the poetic tribute? All right.

21 And, along with the poem, there's a safety mobile
22 that will be presented to Chairman Underwood, and then we
23 actually have found a road fairy to present to the Chairman,
24 so it will go along with the poetic tribute.

25 Ray?

1 MR. JOINER: I did not write this.

2 (Laughter)

3 Commissioner Fred Underwood, once upon a time,
4 there was a governor wearing boots. He searched far and
5 wide for a commissioner. He found a guy who brought
6 aviation from his roots. With a smile so true, and having
7 the business of safety on his mind, Fred Underwood was
8 chosen. He is certainly one of a kind

9 The economics of safety and transportation were
10 his focus, for the job of overseeing the well-being of the
11 people takes a dedicated team; it's not just hocus pocus.
12 Fred is a gracious man who takes time out to thank all the
13 TxDOT staff. He will be remembered for a gladiator mask,
14 talking about his wife's cooking, and how he could always
15 make us laugh. But all jokes, aside, he will be remembered
16 for his dedication to safety first, God, his wife, his
17 community, and the work he did on the Marsha Sharp Freeway,
18 the Harbor Bridge, and for this, he should be given a hand.

19 With bringing solutions to energy sector road
20 concerns, and an eye on the transportation in the sky, he
21 has worked to make the Texas highways the best in the land.
22 So, in closing, I feel compelled to present the giver of
23 gifts, a gift of a TxDOT mobile core, for the man who has
24 spent a lifetime high in cotton, it sure won't get him very
25 far.

1 But the thought and care and gratitude, he will
2 share for you is great. With this last meeting for you, I
3 close with a thank you for all of your service, my friend,
4 and a note from your wife saying, Dinner is ready, Fred;
5 don't be late.

6 (Laughter)

7 (Applause)

8 MR. UNDERWOOD: I'm glad I got the stomach
9 overhaul there. Thank you.

10 MR. JOINER: Chairman Houghton, once upon a time
11 there was a governor wearing boots, who searched far and
12 wide for a commissioner and ultimate chairman. He found a
13 guy who looked good in suits. With a smile so true and eyes
14 of blue, Ted Houghton was chosen and took his queue.

15 Transportation funding he did seek for the future
16 of roads when he started looked bleak. After stating there
17 is no road fairy anymore, and killing this mythical
18 creature, this, he did know, that he must very clearly
19 defend his position by stating, Real options and a funding
20 box was the right way to go.

21 (Laughter)

22 Putting together a team to fix the roads and more
23 capacity and work within a tight budget was not an easy
24 task. He had to convince the people, the MPOs, the
25 Districts, the Legislature, and this was his ask: We must

1 work together to fund the future of our roads. With the
2 growing economy of Texas, this is a heavy load. With a very
3 strong will, mandating local control of projects, partners
4 he did find, and the people were pleased to see projects
5 helping move people and goods, adding concrete and capacity.
6 Texas drivers did not mind.

7 (Applause)

8 MR. HOUGHTON: Thank you all very much.

9 GENERAL WEBER: Chairman, you may or may not be
10 pleased to know that these poems are suitable for framing,
11 so we'll have them for you and Commissioner Underwood.

12 MR. HOUGHTON: Thank you very much.

13 MR. AUSTIN: Well, Ted and Fred, when I first
14 joined in 2011, it was Ned, Ted, and Fred. Thank God we
15 have two Jeffs now. But it soon became Fred, Ted, Ted, Ted,
16 I think for a little while.

17 But what these gentlemen have done not only have
18 helped teach us about a lot of things of working with
19 communities, bringing communities together. The billions,
20 you know, we talked about the projects in North Texas, the
21 Meadows Plex. We look at the billions of dollars that have
22 been put to work in Texas, and it's not an accident that you
23 look at the population growth, people are coming here,
24 transportation effects every single person, every day, in
25 everything we do. And with what these gentlemen have done

1 to keep it safe, think ahead -- and, again, we can only
2 utilize what the Legislature provides to us -- the tools
3 that were given to us, absent other funding, they have
4 maximized everything that we could do to move transportation
5 forward.

6 I want to thank Fred, because he chaired the Audit
7 Committee when we needed this, when we came on. My first
8 Audit Committee, we were in there talking about training and
9 sharing something around the districts. I don't remember
10 what it was, but he said, Benny, you know, what ya'll are
11 doing reminds me of the guy who wanted to learn how to hop,
12 so he shot himself in the foot.

13 (Laughter)

14 I'm trying to think, what in the world does that
15 have to do with what we're doing? But I'm going to miss the
16 stories, the hunting, and I know while you're out in the
17 pastures shooting, doing things, you know, hogged down, just
18 remember, in case your get thirsty, always drink upstream
19 from the herd.

20 (Laughter)

21 MR. UNDERWOOD: That's a good point.

22 MR. AUSTIN: Ted, thank you.

23 When I was Chair, the RMA is when we really got
24 to -- in Tyler is when we really got to meet. You were
25 encouraging and you encouraged me to think, how can you do

1 it? What's possible? And you had some tough questions, and
2 we appreciate that because our region is benefitting from
3 those questions to make sure that you're right, you know,
4 transparency, the financial aspects of it, and to give
5 encouragement to build a local coalition to get some things
6 moving.

7 And that little pig trail, as Amadeo called it one
8 time in December, had 32,000 transactions each day.

9 MR. HOUGHTON: Isn't that amazing?

10 Congratulations.

11 MR. AUSTIN: So, the progress and using the tools,
12 we really appreciate it.

13 But going from a road fairy to leading a bicycle
14 team, to traveling the state, thank you very much for what
15 you've done.

16 MR. HOUGHTON: Thank you.

17 MR. AUSTIN: And I would ask that each and every
18 one of ya'll would stand and please help me give these
19 gentlemen a round of recognition. Thank ya'll.

20 (Applause)

21 MR. HOUGHTON: All right. Enough, enough, enough.
22 Let's move on.

23 We want to -- General, I don't know if you were
24 here when we changed it -- we want to take up Item 5(b),
25 which is the project update for the State Highway 249

1 extension in Grimes County.

2 GENERAL WEBER: Got it, Chairman.

3 Our Chief Planning and Projects Officer Russell
4 Zapalac will present. Russell?

5 MR. ZAPALAC: Thank you, General.

6 Commissioners, from the TxDOT staff, again, thank
7 you for your vision, your leadership. Chairman,
8 Commissioner Underwood, you will be missed.

9 For the record, I'm Russell Zapalac, TxDOT's chief
10 planning and projects officer, and this morning we would
11 like to give you a quick update on the Grimes County
12 Project, the 249 Grimes County Project. There are several
13 speakers, so I'll try to be short and move this briefing as
14 quickly as possible.

15 The 249 Project is basically a regional corridor
16 that's being implemented in partnership with Harris County,
17 Montgomery County, Grimes County, and Brazos County. We
18 have been working closely with these departments, these
19 agencies, these local cities, to move this project forward.
20 The Harris County Toll Road Authority is working on their
21 piece, the piece there in orange on the map. Montgomery
22 County is working -- their toll authority will be taking on
23 a portion of the blue piece, and then TxDOT is taking on the
24 remainder of the blue piece and the red piece up there on
25 the map.

1 The ultimate plan is for 249 to provide a
2 continuous access-controlled expressway from Houston all the
3 way to Navasota and points beyond. Roughly two years ago,
4 the local agencies in Grimes County, in Montgomery County
5 approached TxDOT with a number of resolutions and asked us
6 to move this project forward. You can see up there, a list
7 of the various resolutions that we did receive, and in the
8 spring of 2013, we formed a working advisory group, made up
9 of the members on the right there, to help us look at this
10 project and figure out what to do, what to build, and how to
11 move it forward.

12 In August of 2013, the Working Group unanimously
13 approved a recommendation report. That report took and
14 looked at a number of corridors in Grimes County and the
15 report recommended that as we move the project forward, that
16 we focus on the Northern corridor. It also recommended a
17 two-lane toll facility on four-lane right of way that could
18 be expanded in the future, and that it not exclude possible
19 frontage roads at some point in the future.

20 We began the actual environmental assessment in
21 October of '13, and that resulted in a number of alignments
22 that we looked at along that Northern corridor, and
23 actually, the one that you see in green there is the one
24 that we have been focused on in based on public outreach,
25 public output, and we have a public hearing coming up later

1 this summer which will formally roll that out and continue
2 to work with the citizens of Grimes County with the elected
3 officials to refine those alignments.

4 Recently, there's been some growing concerns
5 expressed in Grimes County. In the summer of 2014, the City
6 of Navasota did reaffirm, through a memorandum of
7 understanding with TxDOT, to continue to move the project
8 forward and their support of the project; however, in the
9 fall of 2014, I believe October, the Grimes County
10 Commissioner's Court rescinded their resolution and support
11 for the project, and approximately two weeks ago, the
12 Commissioner's Court passed a resolution opposing the
13 project. We wanted to brief the Commission on where we
14 stand on the project, and I know there's a number of
15 speakers, gentlemen, who would like to address the
16 Commission regarding this project.

17 MR. HOUGHTON: Let me ask the speakers to come up.
18 The first speaker I'd like to have is former Senator Tommy
19 Williams, vice chancellor of Texas A&M University.

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

21 I appreciate the opportunity to be here. I'd like
22 to -- before I begin my remarks, I would just like to
23 quickly say thank you to Mike Alford for his long service to
24 our state. I've said many times the State of Texas is lucky
25 to have employees who are so dedicated to making our state a

1 great place to live, and certainly Mike Alford epitomizes
2 that.

3 And I also want to say thank you to Commissioner
4 Underwood and you, Chairman Houghton, for your long service
5 on this Commission and for helping to guide through some
6 fairly difficult times. And sometimes we clashed and
7 sometimes we locked arms together, and I have fond memories
8 of all those things and the utmost admiration for your
9 service, so I want to say thank you.

10 I'm here, really, in two capacities. And I would
11 like to speak first as vice chancellor of federal and state
12 relations for the Texas A&M University system. Our Board of
13 Regents has passed a resolution in support of this project.
14 We feel that the segment through Grimes County is critical
15 for regional mobility. College Station is growing to the
16 south. We have a number of projects that have come on in
17 the last few years in our flagship campus in College Station
18 that are going to link our community with Houston and with
19 the Texas Medical Center and to have this as a way to get
20 back and forth to Houston, I think is very critical, as well
21 as our agencies, it's important for them. We have seven
22 state agencies that are all headquartered in College Station
23 and, you know, it's very important.

24 I'm also -- I used to be the State Rep. for Grimes
25 County. I represented this area for six years in the Texas

1 House, and I know the folks there very well, both, you know,
2 the folks who were for it and against it, and have dealt
3 with them through the years. And I'm a resident of Grimes
4 County now. I've lived in Montgomery County. I've
5 represented Harris and Montgomery County and Grimes County
6 at different times during my 16 years at the Legislature,
7 and I want to say that I think it's very critical to those
8 of us who live in Grimes County, from a quality of life
9 standpoint, that this project be completed. And I say that,
10 based on my experience in Montgomery County and the time
11 that I spent on transportation and Homeland Security in the
12 Senate. And I saw what happened in fast-growing suburban
13 counties all over the state who got behind the curve.

14 And as I've told many of my friends in Grimes
15 County, the traffic is coming; it's just a matter of whether
16 we have a way to move it through here efficiently or not,
17 and I, for one, do not want to spend hours in gridlock
18 because of the traffic that's coming through the area. So
19 both, in my capacity as vice chancellor, and also as a
20 resident of Grimes County, I want to express my support for
21 this project, and I think in spite of what you saw at the
22 Commissioner's Court -- I'm going to allow the County Judge
23 to speak to that -- I sense that there's a sentiment that
24 this is an important project, and I hope that you'll allow
25 us to continue to work to build the support in the local

1 community.

2 MR. HOUGHTON: At this time, Senator, we're going
3 to ask the County Judge to speak. Ben Leman, can you talk
4 about what's going on in Grimes County?

5 And we're going to hold questions for you guys,
6 but I want to hear all the speakers and then we'll start
7 doing the Q and A.

8 MR. LAMAN: Sure. My name is Ben Leman. I am the
9 Grimes County Judge, and I appreciate the opportunity to be
10 here to speak about this.

11 From the beginning of this project, I have been
12 opposed to it, based on the toll road capacity, not in
13 conflict with the regional objectives, but mainly due to --
14 I felt there was a gap between the need of the local
15 community being incorporated into the regional objective,
16 especially, with respect to access to the infrastructure for
17 economic development. You see, Grimes County has had some
18 very low statistics, 20 percent lower than the state median
19 income. We have a very low tax base there, and this
20 project, itself, brings newfound opportunity to Grimes
21 County, newfound proximity to Houston; instead of being an
22 hour from Beltway 8, it will be 30 minutes.

23 So that's a tremendous game-changer for a county
24 with very little assets that are taxable. But it's more
25 about the type of infrastructure was my concern with it,

1 and, specifically, locations for economic development to
2 occur. We have a -- last year we had a \$19 million budget.
3 We had very little monies available to pursue infrastructure
4 needs to accommodate economic development.

5 And so I felt it would be a tragedy if this
6 project was constructed through the County and we did not
7 have some opportunity to take advantage of that through
8 improved access, than what was on the proposal. So I was
9 pushing for a non-toll road, is what I've been pushing for.
10 And I've shared that in many meetings with the organization;
11 this has been well-known. But I understand the magic fairy
12 is gone now. I didn't realize it when I first started. I
13 do recognize and knowledge the financial constraints of
14 TxDOT, and I thought it was timely, also.

15 I didn't realize ya'll were going to be talking
16 about your organization, but I want to say is I have -- as I
17 have been somebody who's been sitting on the opposite side
18 of that table, expressing the concerns of our local citizens
19 in our county, you do have a first-class organization. They
20 were very professional. They have listened to my concerns
21 objectively, and, specifically, General Weber wrote a letter
22 that was a very big first step in addressing some of those
23 local concerns, and I want to thank you very much for that
24 attempt -- for your efforts in trying to address those
25 concerns.

1 I do feel that there are still some improvements
2 that can be made for us to work together to win over the
3 hearts of the local population to where they feel this is a
4 good thing for Grimes County, too. And I don't think we are
5 too far from it, but it's just centered around the economic
6 development.

7 The Commissioner's Court did vote, as you saw, on
8 that resolution. They did vote to support the resolution.
9 I was the sole vote in opposition, or against the
10 resolution; in favor of the road, because I feel that we are
11 very close to being there. I want to explain that it was
12 after that same Commissioner's Court meeting where I was
13 able to explain -- or let out the information that the
14 General had provided me, with respect to their attempt to
15 address my concerns. I don't feel the Commissioner's Court
16 has had ample time to consider the impact of the original
17 proposed toll road versus some of the considerations that
18 need to be made, due to this proposal.

19 In addition to that, I think that if there were
20 some more room for improvements, I think some hearts could
21 be won over, and you would find a lot of support in the
22 county for it, if we can get to there. I have been reaching
23 out to city council members. There are some other
24 resolutions that have been passed in opposition of the road,
25 but a lot of those will be reconsidered. I have confirmed

1 they are putting them back on their city council meetings to
2 reconsider those in light of some of this.

3 So it's really having the conversation with the
4 community and understanding that ya'll are trying to address
5 some of the local concerns. Because I really feel
6 ultimately, to the County, we're talking tens of millions of
7 dollars over the next 15 to 20 years in tax revenue, with a
8 difference between having that infrastructure that we can
9 utilize versus not having it.

10 So, again, I appreciate very much what ya'll are
11 doing in trying to work with Grimes County to find a common
12 ground that not only makes it palatable for Grimes County,
13 but can actually benefit it, as well.

14 MR. HOUGHTON: Thank you, Judge.

15 Next speaker, Peter Canney, mayor pro tem, City of
16 Navasota. Did I get that right?

17 MR. CANNEY: Yes, you did.

18 MR. HOUGHTON: Thank you.

19 MR. CANNEY: Chairman Houghton, Commissioners,
20 General Weber, thank you for this opportunity to reaffirm
21 the unequivocal support of the City of Navasota for the
22 Highway 249 Project.

23 The City of Navasota, has, from the outset, been
24 in favor of the Highway 249 Project, participating in both
25 the Highway 249 partnership of which I am the vice chairman,

1 and the membership of city officials and staff on the
2 Highway 249 working group. You may have seen some of our
3 members on the slide. Together with county officials at the
4 outset, we worked closely with TxDOT to provide input
5 regarding the alignment of the Grimes County segment,
6 especially with respect to sensitive areas, and the most
7 desired route or routes doing least harm to private
8 properties.

9 With the MOU, we sought to alleviate the extent
10 possible, the objection that Highway 249 would bypass
11 Navasota, effectively cutting off economic opportunities,
12 and we are satisfied that that will not happen. The City of
13 Navasota and its residents continue to support the Highway
14 249 Project. The City, its council members, administration,
15 and staff, have not had negative feedback from Navasota
16 residents, though we had have information-seeking questions.
17 We have also had information-seeking questions from Grimes
18 County residents who are aware that we possess knowledge
19 regarding that 249 Project and want our take on it.

20 A county resident who has property directly in the
21 path of the current proposed alignment is in favor of the
22 project, but sought my advice on how best to approach and
23 negotiate with TxDOT to his best short and long-term
24 advantage. This person recognizes the potential for growth
25 and the increased value to his property that the project

1 will create; in fact, he hopes the feeder road will be on
2 his property.

3 From our observations, those in opposition are a
4 small, but highly vocal group that have succeeded in swaying
5 certain political entities. To the best of our
6 determination, they do not represent the majority of county
7 residents. A few of these individuals are anti-government.
8 Some are anti-change. Some have particular financial
9 agendas, and quite a few are anti-toll. Frankly, the
10 anti-government contingent are true believers and cannot be
11 reasoned with.

12 Those opposed to change must be convinced to
13 finally accept that no change is the one option no longer on
14 the table. The only options are managed change or imposed
15 change. A look at the expansion northward from the Houston
16 area, and what happened to Hempstead, is ample and obvious
17 proof of this. Failure to recognize this is wishful
18 thinking.

19 Those with financial agendas will have their
20 agendas, regardless of anything we do.

21 Those opposed to toll roads can be debated. There
22 are only two ways to pay for a road, tolls or taxes. As we
23 know, the road fairy is dead. Tolls are user fees. If you
24 don't use it, you don't pay for it. With taxes, you pay for
25 it, regardless, so choose your pain.

1 It is important for TxDOT to know that from
2 Navasota's perspective, a significant number of Grimes
3 County residents and that, of course, includes Navasota,
4 support the Highway 249 Project, recognize its economic
5 value, and will continue to work with TxDOT for the best
6 possible solution with the best positive, least-negative
7 impact for our county. Cooperation and effective
8 negotiation produces results that everyone can live with and
9 benefit from. Thank you.

10 MR. HOUGHTON: Thank you very much.

11 Jeff Collins, Grimes County resident, and member
12 of TAG.

13 MR. COLLINS: Thank you very much to the
14 Commission and the General. I want to just say I'm up
15 here -- I'm a Board member of TAG. We're up here for Green
16 Light Houston, but I would be remiss if I didn't get to take
17 the opportunity to speak on this, as being a property owner
18 and a resident of the Grimes County.

19 I want to echo what Senator Williams said. I do
20 support the project; it's needed. The county is needed.
21 Ever since I've owned property there, it's been amazing.
22 They're coming our way. If you look at the 249 corridor
23 between Texas A&M, the high-speed rail is proposed to go
24 through the county. This is a project that I support and I
25 hope ya'll take that into consideration. Thank you.

1 MR. HOUGHTON: Next is David Tullos, coordinator,
2 Grimes County Advisory -- Citizens Advisory.

3 Did I get it right, David?

4 MR. TULLOS: Yes, Ted.

5 MR. HOUGHTON: All right. Welcome.

6 MR. TULLOS: Thank you for the opportunity to
7 speak today. My name is David Tullos, I'm a coordinator for
8 the Grimes Citizen Advisory Group. We are a grassroots,
9 citizen advocacy organization, based in Grimes County and
10 the surrounding region. Our membership actually consists of
11 over 600 citizens and landowner, who actually live in the
12 area where the road will pass through Grimes County. Many
13 of those citizens are at home right now in front of their
14 computer, watching the live stream of this meeting with
15 great interest in what we talk about here today.

16 We are actively opposed to the State Highway 249
17 toll road in Grimes County for a number of reasons. Now,
18 here are just ten of those reasons, but this is, by no
19 means, all the reasons why this project is bad for Grimes
20 County. Number one, at every opportunity, whether it's a
21 TxDOT public meeting, a Stop Grimes 249 meeting, a Grimes
22 Citizen Advisory Group meeting, or the Grimes County
23 Planning Commission, an overwhelming majority of Grimes
24 County citizens present have opposed this project. In fact,
25 The Navasota Examiner newspaper conducted a poll in which

1 over 80 percent of the Respondents opposed this project.

2 Number two, Grimes County Commissioner's Court has
3 passed two resolutions against this project. The last one,
4 which occurred on February the 10th, just 16 days ago,
5 opposes toll roads in Grimes County and specifically names
6 this project. A copy of the Grimes County resolution is
7 attached to my written comments here today.

8 Number three, the Town of Anderson and the City of
9 Iola, both in Grimes County, have passed resolutions
10 opposing the 249 toll road project. Again, copies of both
11 those resolutions will be attached to my written comments.

12 Number four, the Grimes County Subregional
13 Planning Commission opposes this project and has had a
14 no-toll road policy since 2008.

15 Number five, the new governor of Texas is against
16 toll roads and has declared transportation to be an
17 emergency item. This should allow his new funding
18 initiatives to be fast-tracked and considered earlier than
19 normal, and he has promised to add four billion a year more
20 to roads without raising taxes, fees, debts, or tolls.

21 Number six, we believe that TxDOT had violated
22 federal law in the planning of this project.

23 Number seven, we also believe that TxDOT has
24 violated state law in the planning of this project.

25 Number eight, this project will damage and

1 diminish the property values of the land along its proposed
2 right of way.

3 Number nine, this project will have a permanent,
4 negative impact on the long-term economic development of
5 southern Grimes County.

6 And number ten, this project will damage the
7 Hurricane and Mill Creek Watershed, which is the major
8 watershed for southern Grimes County.

9 So, on February 18th, TxDOT held a public hearing
10 for the State Highway 249 toll road segment which passes
11 through Montgomery County and terminates in Grimes County on
12 FM 1774. TxDOT stated that if approved, construction on
13 that segment would not begin until late 2016, early 2017.
14 Now, that would seem to negate the need to make an early
15 decision on the Grimes County segment of State Highway 249.

16 Now, we are aware that individual conversations
17 and non-binding agreements have been pursued with our County
18 Judge and with the City of Navasota, but we would point out,
19 once again, that the Grimes County Commissioner's Court
20 voted against this project, and that the County Judge was
21 the only dissenting vote.

22 With regard to the City of Navasota, over 500
23 petition signatures opposing this project were collected in
24 a 12-hour period from Navasota residents, including over 50
25 signatures from Navasota business-owners and their

1 employees.

2 So, in summary, we believe this is a bad project.
3 We don't want it. Our government leaders don't want it, so
4 we would ask that you hold off on what you were doing; sit
5 down with our elected officials, and develop a
6 transportation plan that makes sense for the long-term
7 economic development of southern Grimes County. And I thank
8 you for allowing me the opportunity to speak here today.

9 MR. HOUGHTON: Thank you.

10 Okay. Commissioner Moseley, this is in your area.

11 MR. MOSELEY: Chairman, Members, I think it's
12 pretty amazing that we were able to put a hundred million
13 into a holder, a placeholder for this project, and the only
14 way that the roadway really works is to find a place for
15 managed lanes. But if the community really doesn't feel
16 like the roadway merits our focus, then there's a lot of
17 other projects around the state that could use the hundred
18 million dollars.

19 And I'm -- Senator, I appreciate your being here.
20 And, Judge, I appreciate your being here. Mayor, thank you
21 for your statements -- Mr. Tullos. But, honestly, if the
22 project doesn't have local support, then I think that's
23 something that we have to weigh heavily, Chairman, and I
24 think it's a good project. I think it's strategic corridor,
25 and it clearly would be a wonderful tie to the Houston

1 economy, and it's just a wonderful strategic goal. But if
2 it doesn't have local support, then I don't know that we
3 should hold the money for this project.

4 MR. AUSTIN: Russell?

5 MR. ZAPALAC: Yes, sir?

6 MR. AUSTIN: I've got a couple questions, and I
7 want to echo Commissioner Moseley's comments. You know, if
8 it's not supported, then we need to look in other places
9 because there are a lot of other communities that have
10 support that need the money now, and the planning dollars
11 and the time and talent to be invested in that. But what I
12 heard from some of the speakers, we want the road; we want
13 the economic development; we want the access, as Houston's
14 growing, but yet, just don't toll it.

15 And I think it's kind of a double-edged sword, you
16 know, just like in the real estate business, not every --
17 you can't put a Class A office building on every corner.
18 But if the support is not there as toll road, then we look
19 at other traditional funds. You know, that's just one tool.
20 That's one way to expedite it. It's a choice, and it's not
21 the only choice.

22 I think Commissioner Moseley laid it out well, if
23 we don't do it -- if it's not done that way -- obviously,
24 that's not what the community wants -- then, you know, what
25 time frame might we be looking at under traditional sources?

1 Where it is in the planned regional support to be able to
2 support it that way?

3 MR. ZAPALAC: Well, first-off, the project itself
4 is roughly a \$240 million project. The Commission has set
5 aside a hundred million in the Uniform Transportation Plan
6 for this project. The remainder of those funds, \$140-plus
7 million, plus or minus, would come from the toll revenues
8 that the project would produce. That was the original plan.

9 In looking at, to answer your question, sir, in
10 looking at when \$140 million of funds from other sources
11 might become available for this facility, there's nothing in
12 the ten-year UTP at this point, besides that hundred
13 million. So the Commission would have to take action at
14 some point to move additional funds to the project.

15 MR. AUSTIN: Thank you for that, for clarifying
16 that.

17 And let me ask one other thing. I heard a lot of
18 comments, we want improved accuracy; we want economic
19 development. I heard, I hope properties on the feeder road
20 is there. What are we really talking about with access, are
21 we looking at interchange? Are we looking at frontage
22 roads? All of the above? Based on your discussions, which
23 you've heard from everybody, what are we really talking
24 about?

25 MR. ZAPALAC: The proposed project at this point

1 would have four interchanges -- it's roughly ten miles in
2 length -- so approximately every two to three miles, there
3 would be an interchange. We are actually either putting in
4 an interchange or an overpass at each and every road that we
5 cross, all county roads, all state facilities; we're not
6 cutting off anything that's out there.

7 As you look at -- I think one of the concerns that
8 has been expressed as far as economic development and such
9 goes, when you look at Grimes County, there really isn't a
10 plan, if you will, for a road system out there. On the
11 southern end of the county, for the most part, there are no
12 roads. You know, the four roads that we cross and have
13 interchanges at, pretty much it for ten miles out there.

14 So looking at how -- and working with the county
15 and we've had meetings with several of the commissioners and
16 the judge to try to help them think about what their county
17 would look like in the future. One of the issues that we
18 face in this particular discussion is there's not a good
19 plan for what they're going to be needing in the future, so,
20 therefore, we can't fix something for them or help them fix
21 something when they don't know what it is they actually want
22 to do for the future of their county.

23 MR. VANDERGRIFF: Can I ask a question? I want to
24 make sure that I'm on target here. I'm hearing a lot of
25 stuff and, obviously, there's some angst about the road

1 here, but are we still talking? Are we still trying to work
2 this through at this point in time? We're not voting here
3 today, right?

4 MR. ZAPALAC: No.

5 MR. VANDERGRIFF: So --

6 MR. HOUGHTON: It's more direction.

7 MR. VANDERGRIFF: Yeah, so we're -- I would hope
8 that we continue to talk. This is an important project
9 opportunity and it would be very challenging for Grimes
10 County to get this done by any method, other than the way
11 that it's being done.

12 MR. HOUGHTON: Mayor and Judge, can you come up?

13 MR. VANDERGRIFF: And can --

14 MR. HOUGHTON: I'm sorry. Go ahead, Victor, while
15 he --

16 MR. VANDERGRIFF: Well, I was just going to say
17 that in speaking for projects that I've seen in the
18 metropolitan area that I'm familiar with, and granted it's
19 metropolitan, but it used to be rural, when you pass the
20 opportunity, it doesn't come back for 30 years. I mean
21 we're going to vote on a project here in a little bit that
22 it doesn't come up again -- it's been 30 years since it was
23 originally envisioned, so I would just encourage you to keep
24 talking about this, is the way to get it done.

25 MR. HOUGHTON: What I would like to propose is --

1 yes, Commissioner Vandergriff, is we continue to talk and
2 find resolution. I have been involved in the project early
3 on -- not most recently -- because I thought it had legs and
4 now it's hit a little speed bump, no pun intended. If we
5 can continue to develop ideas that meet the County needs,
6 and Mayor Pro Tem of Navasota, the City's needs in that
7 area, we be mindful of economic opportunity.

8 We have folks in this building and other buildings
9 that are great planners that can talk about economic
10 opportunity and show you what roads do when they're put in,
11 even toll roads. We have seen it in North Texas. We have
12 seen it in Houston. They're all over. We have great
13 examples of that.

14 So I would hope that we would still have an open
15 mind as to meeting the -- now, we're not going to make
16 everyone happy -- I know we're not going to do that -- but
17 we just got to meet the needs of the -- not only now, but
18 the future. This offers great opportunity. Texas A & M and
19 its tie to the Medical Center, the bio-research going on up
20 there. As Senator Williams said, the congestion is coming,
21 so I think we have a great opportunity, as Commissioner
22 Vandergriff said, you know, a 30-year cycle, I don't think
23 we want to wait 30 years on this one.

24 So I hope, Judge, you have an open mind, and your
25 people have an open mind. Mayor pro tem, I would hope that

1 we could get the right people at the table, our folks, to
2 figure something out.

3 MR. CANNEY: Absolutely.

4 MR. LEMAN: Absolutely.

5 And can I just clarify an earlier comment I made?
6 I just want to make it clear that I've always been for a
7 road for the infrastructure. I want to make that clear.
8 It's the access to it is all I'm trying to figure out a way
9 to get access to --

10 MR. HOUGHTON: And I think we can get that -- I
11 think that we can get that done. I think we just need to
12 continue to develop ideas on how we can help get that done.

13 MR. ZAPALAC: I think from my part, I agree we
14 need to move forward, and I think if we wait 30 years, the
15 project will be incredibly different to do because if you
16 visit Grimes County, the most southern portions are
17 beginning to fill in, and if we come back to it 30 years
18 later, there are going to be people building houses and it
19 will make it more difficult to find a path that isn't going
20 to start encroaching on in-fill. So we need to start coming
21 to an agreement fairly soon about where we're going to put
22 the road; that's one concern of my, as well. So we need
23 keep talks ongoing to come to a compromise that fits as many
24 needs as we can and move forward with the project.

25 MR. HOUGHTON: I think you have pretty good

1 directions Russell. I mean it takes two to tango, and if
2 you all are willing, I think we are very willing.

3 MR. ZAPALAC: Absolutely.

4 MR. HOUGHTON: And, Senator, do you have any last
5 things or are you okay with that?

6 MR. WILLIAMS: I would just like to say thank you
7 to the Commission. If ya'll give us some time, I think the
8 County Judge and Commissioners on that Court are working
9 hard to address -- there's some legitimate concerns that can
10 be addressed --

11 MR. HOUGHTON: Right.

12 MR. WILLIAMS: -- and I appreciate you giving them
13 time to work this out. It's critical to the University that
14 I represent, and it's also critical to the quality of the
15 lives in the community that I love and have loved for over
16 20 years, so thank you.

17 MR. HOUGHTON: Thank you.

18 MR. AUSTIN: Senator, I have one question. Where
19 is the largest university in the state of Texas?

20 MR. WILLIAMS: It's in College Station, Texas.

21 MR. AUSTIN: And what is your student attendance
22 population?

23 MR. WILLIAMS: We're around 56,000, I think, is
24 where we are now. I don't know the exact number.

25 MR. AUSTIN: And the second-largest would be right

1 here?

2 MR. WILLIAMS: It would be the 40 acres just north
3 of here; you're right.

4 (Laughter)

5 MR. AUSTIN: I bring that up, is to look at
6 access, we talk about Texans moving in here for jobs and
7 everything else, but we forget -- when we talk about jobs,
8 we forget about the intellectual capital that our education
9 facilities create, and U.T. has the benefit of an Interstate
10 coming through here, one of the busiest roads, and to make
11 sure I hear from fellow Aggie and Representative Ashby, you
12 know, access coming in from the other side, coming in from
13 East Texas.

14 But with the largest university, the research that
15 goes on there, the things that -- and the people and the
16 talent that goes across the world, across the country coming
17 out -- I'm not an Aggie, by the way -- but it is important
18 to the State and we need to continue to find ways to bring
19 access for people to continue to come to this state for all
20 of our education facilities.

21 MR. WILLIAMS: Thank you, Commissioner, for your
22 comments. It's kind of got a maroon tint to that tie that
23 you have on; you're sure sounding like an Aggie today.

24 MR. AUSTIN: It's SMU.

25 MR. WILLIAMS: What I would say is that A & M

1 is -- our flagship school in College Station is knocking on
2 the door of \$900 million of annual research -- has a
3 tremendous economic impact on the entire state, and this is
4 in a very important part of the regional transportation
5 network that we feel like we need to be able to get that out
6 to the rest of the state. That is part of our history, is
7 taking the knowledge out to the communities that can benefit
8 from it and you need a road to travel on to do that.

9 Thank you very much.

10 MR. HOUGHTON: Chairman, thank you. Thank you for
11 coming.

12 Thank you for coming, Mr. Tullos.

13 MR. TULLOS: Thank you.

14 MR. HOUGHTON: At this time, we're going to take a
15 ten-minute break, and those who want to stay for -- we're
16 going to take up the three roads next. So we're going to
17 take a ten-minute break.

18 MR. MOSELEY: Chairman, could we pose with the
19 Commission and our Green Light on the front steps of the
20 Greer, could we do that?

21 MR. HOUGHTON: On the steps, yeah, please. Well
22 do that during the ten-minute break.

23 MR. MOSELEY: Yes, sir. Thank you.

24 (Recess.)

25 MR. HOUGHTON: Let's reconvene. It is 12:14.

1 Rich?

2 MR. MCMONAGLE: Next up, Item 5(a), a report from
3 the Office of Federal Affairs. Our federal affairs section
4 director, Andrea Lofye will present.

5 Andrea?

6 MS. LOYFE: Thank you, Mr. McMonagle, Chairman
7 Houghton, Commissioners. Thank you for the opportunity to
8 speak with you today.

9 The item I'm going to present is regarding our
10 federal affairs, our expectations for the next coming year,
11 and I'm going to discuss some key pieces of legislation,
12 including service transportation reauthorization.

13 So, the November elections resulted in some
14 changes within Congress. Notably for us, we have three new
15 members, Brian Babin from the 36th Congressional District;
16 Will Hurd from the 23rd Congressional District; and John
17 Ratcliff, from the 4th Congressional District. Also, Brian
18 Babin -- Congressman Babin has been named to the
19 Transportation Committee, where he will serve with
20 Congresswoman Eddie Bernice Johnson, and Congressman
21 Farenthold, also, of Texas.

22 This calendar year, we have some looming deadlines
23 coming up. First of all, the MAP-21, the Surface
24 Transportation Authorization Bill has been extended through
25 May, so Congress will have to act to either extend this or

1 to develop a new authorization bill. In addition to that,
2 the Highway Trust Fund is -- will remain solvent -- is
3 scheduled to remain solvent only through September. So
4 Congress will have to act in July, before they go in their
5 August recess to address this with a new Surface
6 Transportation Bill or with an infusion of revenue into the
7 fund.

8 In addition, the FAA, the Federal Aviation
9 Administration Bill, authorization lapses for those programs
10 in September, and probably, the most urgent deadline is the
11 debt-limit suspension will expire in March, March 15th. So
12 Congress will have to act to address that.

13 I'm going to talk a little bit about MAP-21, the
14 Surface Transportation Authorization Bill. Again, last
15 fall, Congress took steps to extend this through May of
16 2015; in addition to that, they transferred \$11 billion into
17 the Trust Fund to keep the Trust Fund solvent. Both the
18 House and the Senate have taken steps to address this issue
19 and there is also an administration proposal, the Grow
20 America Act, to address this issue.

21 Many of you were active in our last surface
22 transportation authorization process, and before you, you
23 have a chart that Federal Affairs has prepared. Robin Ayers
24 of our Federal Affairs section oversees this process.
25 MAP-21 is a 600-page bill, and we track many of the sections

1 within MAP-21 and just to ensure that we are compliant, that
2 we are achieving our deadlines, and Robin also oversees a
3 joint Working Group with FHWA, to ensure that we have a
4 collaborative development of this legislation.

5 Many of you also were involved in WRDA. I know
6 both, Commissioner Moseley and Commissioner Austin spent a
7 lot of time in Washington working with our committees and
8 our delegation on this issue. WRDA, of course, passed last
9 year, and Melanie Albert of Federal Affairs oversees this
10 process. The chart looks yellow, only because we are very
11 early in the process of implementing the WRDA Bill, the
12 Water Resources and Reform Development Act.

13 So this chart demonstrates that authorization,
14 reauthorization is not necessarily a smooth process. The
15 last two bills had several extensions over a long period of
16 time and that has been the pattern. We are actually in our
17 current extension of MAP-21, and we have a new Congress, as
18 I mentioned. Republicans took over the Senate in November,
19 so we may be seeing another extension or two or several
20 before we get to a final bill. I included this slide -- and
21 I know that you all are familiar with that -- but it
22 demonstrates the importance of our Federal revenue; it's 42
23 percent of our total revenues, and I thought it was
24 important to highlight that in the context of this
25 presentation and everything that Federal Affairs does.

1 This slide here shows something that Commissioner
2 Moseley touched on in his opening remarks, and that is the
3 Highway Trust Fund and the solvency of the Trust Fund.
4 Right now, we are on track, according to the Congressional
5 Budget Office, to have a deficit of \$14 billion for this
6 fiscal year. And by 2025 that annual deficit is expected to
7 grow to \$29 billion. That's one of the reasons that we, and
8 all of you, have had conversations with our authorizing
9 committees and with our delegation about the importance of a
10 sustainable revenue source.

11 To address this issue, Congress has, on numerous
12 occasions, transferred general revenue and funds from the
13 Leaking Underground Storage Tank Fund into the Highway Trust
14 Fund. As you can see, this goes all the way back to fiscal
15 year '08.

16 I've listed here a number of revenue options that
17 are current being discussed in Congress, and I know that
18 many of you have heard about several of these. I will touch
19 on repatriation, just because that's one that both the
20 Administration has proposed and there are bipartisan,
21 bicameral proposals, as well. In the Grow America Act,
22 which has been proposed by the Obama administration, a
23 one-time 14-percent repatriation tax will fund the programs,
24 followed by a 19 percent ongoing repatriation of American
25 companies, foreign earnings coming back into the country.

1 Similarly, in the Senate, a bipartisan bill,
2 introduced by Senator Barbara Boxer and Senator Rand Paul,
3 would call for a voluntary 6.5 percent tax for American
4 companies bringing foreign revenues back into the country.

5 I've listed a number of the programs that we often
6 discuss with our Members of Congress and our delegation.
7 Commissioner Vandergriff, one of the projects we highlight
8 frequently is the North Tarrant Express Project, which
9 utilized both TIFIA and private-activity bonds. And a big
10 part of our job is showing the members that vote on these
11 issues and develop these policy positions, the importance
12 and the value of the different tools that are available.

13 You all adopted Federal Policy Priorities one year
14 ago -- exactly one year ago this month -- and these policies
15 guide us and guide you all as we work with our delegation
16 and with the committees, with which we work. They are
17 general, which serves us well, and they address things like
18 adequate and reliable long-term funding sources; support for
19 efficient freight movement, and flexibility and
20 streamlining. And this process was overseen by Melissa
21 Meyer and Deborah Richmond, who also have overseen this
22 stakeholder outreach.

23 I've listed here many of the authorizing and
24 funding committees, with which we work, and many of you have
25 joined with us as we have met with them and worked with

1 them. And, again, I mentioned that there are numerous
2 stakeholders as we developed our priorities and we continue
3 to work with them to seek common ground and share policy
4 priorities.

5 I'm going to close by mentioning a couple
6 authorization initiatives that are pending and that will
7 probably be addressed in this Congress. The first is the
8 FAA Reauthorization Bill, and as we speak, Melanie Albert of
9 our D.C. office and your aviation director, Dave Fulton, are
10 in Washington meeting with authorizers. This Bill will
11 expire in September of this year, so we have been actively
12 involved the last several months in working to communicate
13 the importance of different pieces that authorization, and
14 we'll continue to do so.

15 I think chief among these is the Contract Tower
16 Program -- Texas has 23 Contract Towers, and so we work very
17 closely with our congressional delegation to make them aware
18 of that and keep them aware of that.

19 And then the final piece is the PRRIA
20 Authorization Bill, and Ryan Granger of Federal Affairs,
21 oversees this process, and I know you're all aware that
22 TxDOT has a robust state Safety Oversight Program that
23 oversees passenger rail programs, and the PRRIA
24 Authorization Bill will address that, as well as many Amtrak
25 programs. So that's something else that we're monitoring.

1 And with that, I'll close with any questions, and
2 also, just so thank each and every one of you for your time
3 and your labor on behalf of Federal Affairs. We are very
4 grateful to you.

5 MR. AUSTIN: Just a couple comments, Andrea.
6 Thank you for the great presentation of what ya'll do. I
7 think it really highlights, one of the slides, the funding
8 slides, that 42 percent of our revenue and sources of
9 funding comes from the Federal reimbursements. That's more
10 than what were allocated at the state level here. So it is
11 extremely important -- it's often forgotten because the
12 Legislature is right across the street.

13 Secretary Fox has recently said, as he talks about
14 the Highway Trust Fund, if we -- let's back up. Last year,
15 before the reauthorization, we were receiving in Texas about
16 \$300 million a month. Had they -- well, let me back up --
17 we received notification that if there was not a
18 reauthorization, that would have dropped down to about \$175
19 million, and slowly taper off.

20 They did reauthorize it. We could be faced with
21 that same thing coming up here very shortly, if it's not
22 reauthorized.

23 MS. LOYFE: Yes, sir, you are very correct. In
24 addition to that, any nonessential employees would be
25 furloughed. You're right, reimbursements would slow down

1 and eventually halt, depending on how long the Trust Fund --
2 or the authorization funds would lapse.

3 MR. AUSTIN: We need a longer-termed bill so we
4 can put people to work and really, that will impact -- we
5 need stable, reliable sources of income so we can begin to
6 plan.

7 I want to go back to the Federal document just for
8 a second. I know I participated in a couple of the
9 meetings, but the depth and the breadth of the outreach was
10 tremendous. You had the ports, farm bureau, TML, we can go
11 on and on to a bunch of the different organizations. You
12 might want to share that, because we were out listening to
13 formulate and listen to what Texans and manufacturers,
14 everybody need.

15 MS. LOYFE: Yes, sir, you are correct.

16 Melissa Meyer and Deborah Richmond of Federal
17 Affairs oversaw that effort, and it was massive and it was
18 comprehensive, and it also involved a very diverse group of
19 stakeholders. And that effort has continued. We have
20 continued to keep them in the loop on issues, on which we
21 work.

22 MR. AUSTIN: I just want to say thank ya'll for
23 what you do; you're very important to the State.

24 MS. LOYFE: Thank you.

25 MR. HOUGHTON: Any other questions?

1 MR. MOSELEY: Chairman, just to say thank you to
2 Andrea for the report, and I know under your leadership,
3 there's been a much more formal working relationship with
4 Members of Congress and thanks to Commissioner Austin, we
5 have been able to open up real useful dialogue, and working
6 with Andrea, we have started to do some briefings out of the
7 Houston area. Congressman Culberson, who sits on House
8 appropriations, transportation subcommittees, is going to be
9 available in a few days for an overview, and I think
10 Commissioner Austin and I have talked about the value of the
11 Congressman Cuellar, who also sits on that subcommittee, as
12 well.

13 MS. LOYFE: Indeed, he does.

14 MR. MOSELEY: These are wonderful allies and
15 friends, and thank you, Andrea, for what you're doing.

16 MS. LOYFE: Well, thank you. And thank you for
17 all your assistance in arranging for the meeting with
18 Congressman Culberson. We greatly appreciate it.

19 MR. AUSTIN: Yeah, one thing as mentioned, the
20 port -- you mentioned the WRDA Bill, that was bringing
21 hopefully improved environmental -- improved the process
22 with the Corps of Engineers, is what I was looking for,
23 adding depth. So it would be Neches, Corpus, Freeport.
24 That was all sponsored by inland representative Eddie
25 Bernice Johnson from Dallas, because she understands the

1 need of what's happening with all the freight coming through
2 Houston, all of our ports, trying to get up to Dallas, up
3 the 35 corridor to be redistributed.

4 But the entire Texas delegation, both sides of the
5 aisle, are owed a lot of thanks, because they get
6 transportation and we really appreciate what they're doing,
7 the full delegation.

8 MS. LOYFE: Yes, sir. You're exactly right. We
9 are blessed with a delegation that is very much engaged.

10 MR. HOUGHTON: Thank you, Andrea, very much.

11 MS. LOYFE: Thank you.

12 MR. HOUGHTON: Let's move to 11.

13 MR. MCMONAGLE: Thank you, Andrea.

14 At this time, we will bring up Item 11(b),
15 approval of the --

16 MR. HOUGHTON: No -- (a), (a).

17 MR. MCMONAGLE: Do you want to start with 11(a)?

18 MR. HOUGHTON: We'll do all three of yours.

19 MR. MCMONAGLE: Okay.

20 MR. HOUGHTON: Do all (a), (b), and (c). There
21 are some anxious people in the room.

22 MR. MCMONAGLE: Next item is 11(a), State
23 Highway 249 Project agreement. Director of Strategic
24 Projects Division, Katie Nees, will present.

25 MS. NEES: Thank you.

1 Good afternoon, Chairman, Commissioners, and Chief
2 of Staff Rich McMonagle. My name is Katie Nees, for the
3 record, and I am the director of the Strategic Projects
4 Division.

5 I'd like to first start off with thanking Chairman
6 Houghton and Commissioner Underwood, and echo what everybody
7 else has said before, and thank you for your service, your
8 leadership, and your dedication. If it wasn't for your
9 specific interest in the CDA Program and the P3 Program and
10 the Design-Build Program, I would not be here talking about
11 11(b) and 11(c), and bringing you exciting news today.

12 But the first item is Item 11(a), which approves
13 the project development agreement between the Department and
14 Montgomery County Toll Road Authority for the development of
15 State Highway 249, from Montgomery/Harris County line, to
16 FM 1774 in Grimes County, near Todd Madison. The project
17 agreement sets forth the roles and responsibilities between
18 the Department and the County, in which the county will
19 construct, operate, and maintain the segment of the project
20 between Harris County line, and FM 1774 in Pinehurst,
21 commonly known as Segment 3 on the map, and the Department
22 will finance, design, construct, operate, and maintain the
23 segment of the project between FM 1774 in Pinehurst, and
24 FM 1774 in Grimes County, near Todd Madison, Segment 1,
25 typically called 4 on the map.

1 The County project will include, right as it is
2 envisioned, six toll lanes on State Highway 249; on the
3 state highway right of way between Harris County line,
4 spring creek, and FM 1774 in Pinehurst. The County has
5 committed to fund the project and to reimburse the
6 Department in the amount of \$3,867,206, as reimbursement for
7 the Department's actual costs to acquire the right of way
8 for the project.

9 The payment of this amount will be waived if the
10 value of the state right of way needed for the County to
11 construct the County project is less than the estimated
12 value of the right of way the County transfers to the
13 Department for the construction of the TxDOT project. The
14 County has graciously offered to assist TxDOT with the
15 acquisition of the right of way in our section of the
16 project.

17 The County has proposed to develop the County
18 project as part of the Montgomery road system and has
19 requested that the County project not become part of the
20 state highway system. Staff is here to answer any questions
21 that you may have and recommend acceptance of this minute
22 order.

23 MR. HOUGHTON: There are no speakers signed up.

24 MR. MOSELEY: Chairman, I am pleased to move
25 approval, but I think it would be good following our

1 discussions on Grimes County, just to very clearly state --
2 as it's already been stated, but just to state it again --
3 that this segment of 249 goes to the county line of Grimes,
4 not into Grimes County.

5 MS. NEES: Right now, currently, the logical term
6 line is set, but we can make that adjustment.

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

9 MR. VANDERGRIFF: No, I just had one other
10 question -- a follow-up to Commissioner Moseley's question.
11 All right. When this project gets started, what's the
12 timeline that we need, in other words to make it a seamless
13 ride, so to speak, for the whole proposed area, for Grimes
14 County to decide really kind of what it wants to do or not
15 do, in order to keep it flowing?

16 Because otherwise -- correct me if I'm wrong --
17 you're going to raise this traffic on a six-lane toll way
18 and it's just going to hit a wall.

19 MS. NEES: Right. There will be a transition
20 section, but I will let Russell -- did you want to --

21 MR. VANDERGRIFF: But it's going to hit a wall at
22 some point. It's like --

23 MR. HOUGHTON: Correct.

24 MR. VANDERGRIFF: -- you know, so -- okay.

25 MS. NEES: We will have a transition --

1 MR. VANDERGRIFF: I'm just curious, because that
2 kind of frames the time frame that Grimes County and the
3 Department, in order not to hit the wall --

4 MS. NEES: Sure.

5 MR. ZAPALAC: If I might, Commissioner?

6 MR. HOUGHTON: Sure.

7 MR. ZAPALAC: Again, for the record, Russell
8 Zapalac, chief of planning and projects officer.

9 The intent, and, again, we're still looking at it,
10 but the intent was to build under basically one contract,
11 the Montgomery County section and the Grimes County section,
12 to avoid that. In the event that we were not able to do
13 that in Grimes County, then we would put a -- we would
14 transition and probably do work -- now, the project,
15 Commissioner Moseley, does go to 1774, which is just inside
16 the Grimes County line. The PDA, itself, it stops at the
17 Montgomery County line for obvious reasons, since we are
18 doing the agreement with Montgomery County, but the project,
19 itself, will go slightly north of that county line and into
20 Grimes County to a logical terminus at 1774.

21 MR. MOSELEY: Still, time frame -- time frame that
22 you have in order to continue the construction so that it
23 all gets done at one time? Because it's going to stop --

24 MR. ZAPALAC: The intent on this project would
25 be -- on the Montgomery County portion of the project, the

1 intent would be to start the design-build procurement in
2 probably the next several months --

3 MR. MOSELEY: We got maybe 90 days for them to
4 work on something?

5 MR. ZAPALAC: Yes. In March, depending on where
6 we are with the Grimes County, we intend to bring a minute
7 order on how we intend to procure the rest of this portion.

8 MR. MOSELEY: Well, I guess, Russell, I would be
9 pleased, Chairman, to move approval, but I'd ask that
10 Russell get back with the County leadership. Their
11 resolution opposing, perhaps would allow the roadway to come
12 into Grimes County. They may be okay with that, but I think
13 it would be good for us to get clarity on that before we
14 make a final decision on where the terminus is.

15 And so I would be pleased to approve the
16 Montgomery project, if our team would just make sure with
17 the leadership of Grimes County, that it's going to go in
18 and tie in with 1774.

19 MR. HOUGHTON: Is there a second?

20 MR. AUSTIN: Second.

21 MR. HOUGHTON: All in favor?

22 (Chorus of "Ayes")

23 MR. HOUGHTON: Okay. Next?

24 MS. NEES: Thank you.

25 MR. MCMONAGLE: Continuing on to Item 11(b),

1 approval of State Highway 288 proposal selection.

2 Once again, Director of Strategic Projects
3 Division, Katie Nees. Katie?

4 MS. NEES: Thank you. For the record, my name is
5 Katie Nice, director of strategic projects division.

6 Item 11(b) before you is the approval and condition award of
7 State Highway 288 concession project in Harris County. At
8 this time, I would like to present a quick presentation that
9 gives you a description of the project; and an overview of
10 the procurement process; the proposal evaluation; and the
11 next steps.

12 The project is a concession project under the CDA
13 legislation for the design, construction, finance, and
14 operation for a 52-year term. The initial configuration
15 includes four toll lanes, two each direction, within the
16 existing 288 median; a new Beltway Inner-8 interchange with
17 all eight direct connectors; the Texas Medical Center
18 connector; two direct connectors; right of way to right of
19 way ONM, including general purpose lanes.

20 The environmental clearance for this project was
21 received May 23rd, 2013, and the environmental clearance for
22 the Texas Medical Center was received March 31st, 2014.

23 The Beltway 8 direct connector layouts were also
24 coordinated with Harris County Toll Road Authority.

25 In addition to the base project, there are

1 additional project components. One is the hand back
2 requirements at termination, at the end of the 52-year
3 lease, which allows TxDOT to receive the facility with
4 residual life at the end of the project or basically in good
5 condition. Also within the requirements, the developer is
6 required to accommodate a future build-out of the ultimate
7 configuration for the 610 interchange, as well as a general
8 purpose lane. Although, they are allowed to accommodate it,
9 they don't necessarily have to build it under this
10 particular project.

11 Just real quickly, a procurement history. As
12 legislatively required in April 19, 2013, we had a 1420
13 Committee comprised of the Harris County Toll Road, HGAC,
14 TxDOT, and the City of Houston and Pearland, and approved to
15 proceed forward with this project as a concession project.
16 Qualifications were received in May, 2013, and three firms
17 were short-listed. Short-listed firms participated in
18 extensive industry engagement and one-on-one meetings
19 throughout the year. In January, technical and financial
20 proposals were due, and all three short-listed firms
21 submitted.

22 The short-listed firms in alphabetical order
23 are -- the first of the three firms is Blue Ridge
24 Transportation Group, with the equity owner of ACS Servicios
25 y Concesiones SL; InfraRed Capital Partners, Ltd.; Shikun

1 Binui Concession USA; and all listed are their non-equity
2 members.

3 The second submitter not in alphabetical order was
4 288 Mobility Alliance, LLC, with equity owners of OHO
5 Concessionaires; and non-equity members listed below.

6 The third and final team was State Highway 288
7 Mobility Partners. The equity owner is Cintra
8 Infrastructure, and the non-equity members are listed below.

9 The evaluation, the selection process was based
10 off on apparent best-value determination. Rigorous
11 evaluation procedures were developed before proposals were
12 received. Evaluation teams were actually trained in the
13 evaluation procedures and the utmost confidentiality was
14 maintained.

15 The pass/fail was done on technical and financial
16 submittals. All proposals were met with a pass-fail in
17 response of requirements. No firms were disqualified.
18 Detailed evaluations and ratings were completed by the
19 technical subcommittees. Following strict protocols, teams
20 conducting technical reviews did not have access to the
21 proposer's financial information.

22 Financial proposals were evaluated for pass/fail
23 in responsiveness and reasonableness for financial
24 submittals were determined.

25 The apparent best-value determination was based on

1 technical scores of 20 points, and financial scores of 80
2 points for a total of 100 points.

3 And the winner is --

4 UNIDENTIFIED SPEAKER: Do you want a drumroll?

5 MS. LOYFE: No drumroll, but something new.

6 MR. HOUGHTON: Oh, okay.

7 MS. LOYFE: See if it's working.

8 (Trumpet fanfare plays)

9 (Laughter)

10 MS. LOYFE: A lot of people put in a lot of hard
11 work for this particular project, and in light of the new --
12 instead of the drumroll, in light of the new military
13 background and flavor that we have with the Department, we
14 thought it --

15 MR. HOUGHTON: Oh, is that it? Is that what this
16 is all about?

17 MS. LOYFE: -- we thought it would be appropriate
18 to have a new lead-in.

19 With that, Blue Ridge Transportation Group was the
20 winning proposer.

21 MR. HOUGHTON: Quickly, Katie, what's the
22 construction value of this cost?

23 MS. LOYFE: The construction -- actually, I will
24 get to that in a minute -- they actually gave us -- this is
25 very exciting -- they gave us much more than we anticipated

1 on the project, and I will go through that in the next
2 slide, Chairman.

3 MR. HOUGHTON: Sorry.

4 MS. LOYFE: Oh, no problem.

5 Blue Ridge Transportation Group, the evaluation
6 results were 89.76 points.

7 And to answer your question, Chairman Houghton,
8 the apparent best-value proposer consisted of a \$27.6
9 million upfront payment to TxDOT on the base scope. But
10 more importantly, was the innovative ATCs for the I-10/610
11 interchange, which allows 70 percent of the direct
12 connectors to be built along with this project.

13 MR. HOUGHTON: Oh, wow.

14 MS. LOYFE: That's really -- that's very
15 significant.

16 It also includes the operation and maintenance of
17 the new and existing lanes. Tolling and revenue risk was
18 borne by the developer. This was the first one where the
19 developer took all the risk. Also, tolling levels were
20 adjusted and based off of the Senate Bill 1420
21 recommendations. The project, of course, is interoperable;
22 drivers will be able to use toll tags concurrently, from any
23 agency in Texas, and at the end of the concession term, of
24 course, there will be quality performance requirements
25 handed back. So we are extremely excited about this project

1 and the benefits to the citizens of Texas and for this
2 regionally significant project.

3 Next up are negotiations and comprehensive
4 development agreement. FHWA concurrence of the award,
5 Legislative Budget Board notification, in accordance with
6 Transportation Code 371, legally sufficient review by AGs
7 required in accordance with Transportation Code 371, and CDA
8 execution on or before August, 2015, to be within the
9 validity period of 210 days after receipt of financial
10 proposal, as well as the thousand-day construction period,
11 which is a very aggressive construction schedule, and we are
12 very pleased with that.

13 We could not have done that -- and I'm going to
14 sound like the award ceremony -- we really could not have
15 done this without a true partnership and a dedicated team.
16 They spent countless hours going through the technical
17 proposals, as well as the financial proposals. And I would
18 just like to thank, personally thank quite a few for their
19 hard work.

20 We could not have done it without Mike Alford in
21 the Houston District to include Patrick Grant and Quincy
22 Allen; TxDOT procurement team, which is led by Dieter Billek
23 with Marcus Coronado, Dawn Scheel, Matt McCarter, Bill
24 Reichert, George Grantham, Greg Snider, and Caleb Bryant;
25 the Office of General Counsel, Jack Ingram, Rebecca Bronson,

1 and Jim Bailey, our steadfast attorneys; Debt Management
2 Office, Ben Asher, Sara Ulbrich, Sara Chapa in their help,
3 also with TIFIA in setting up the TIFIA term sheet for this
4 project; Division Offices, Jacob & Martin; Bridge, Linda
5 Sexton, and Roland silver for toll operations; FHWA, Dan
6 Matt; Brazoria County, Matt Hanks; and our advisors, Jacobs,
7 Bill Eschamann, Mark Hoppa, Mayer Brown, Mitchell Switzer,
8 and Joe Segulos; HNTB, Steve Hetzer ; and KPMG, Faduce
9 Maisha , and Cesar Diaz-Plaza.

10 And in conclusion, staff recommends and requests
11 Commission approval of this minute order to authorize the
12 Department to commence and complete negotiations with Blue
13 Ridge Transportation Group.

14 MR. HOUGHTON: Okay. Let me stalk about that
15 right there. There's four toll-lanes, two in each
16 direction. My question, you answered it, I guess there is
17 the direct connector now, into the Texas Medical Center?

18 MS. NEES: There is.

19 MR. HOUGHTON: That's part of this project?

20 MS. NEES: That's part of the project.

21 THE COURT: Okay. And I'm still looking for the
22 construction costs on this thing.

23 MS. NEES: The construction cost is estimated at
24 about \$800 million.

25 MR. HOUGHTON: \$800 million project.

1 MS. NEES: So the Texas Department of
2 Transportation significantly leveraged --

3 MR. HOUGHTON: And the being is, of course, the
4 interchange at Beltway 8?

5 MS. NEES: The big is the interchange at
6 Beltway 8. We got all eight direct connectors.

7 MR. HOUGHTON: Super.

8 Judge, you happy?

9 MR. AUSTIN: I see some smiles down there.

10 MR. THOMPSON: I could be.

11 MR. HOUGHTON: (Indiscernible - 1:45:46) attorney.

12 Commissioner Moseley?

13 MR. MOSELEY: Chairman, this is a wonderful
14 report, and it's so refreshing to see that the mechanisms
15 that we have in place to allow the private sector to
16 competitively bid work very well. And so, Katie, thank you
17 for leading this effort and to Mike Alford and the team, who
18 brought forward this recommendation, but this is indeed,
19 extremely, extremely good news. Those connectors were -- we
20 have talked, haven't we, Judge and Chairman -- we've talked
21 about those connectors being so integral to really making
22 this thing work at its highest performing level. So we are
23 very happy for this report.

24 MR. HOUGHTON: There's no motion.

25 I've got several speakers that would like to

1 speak, and remember, speakers, you are twenty -- us
2 approving this project, so ...

3 But with that said, first up, Representative Ed
4 Thompson, Senate -- I mean -- is excuse -- House District
5 29.

6 MR. VANDERGRIFF: Can I ask a quick question
7 coming up? Katie, how much do TxDOT or the State putting in
8 the project? It's an \$800 million project, how much are we
9 putting in?

10 MS. NEES: We do have some contingencies to cover
11 the TIFIA, if -- right now we have a term sheet from TIFIA
12 and if TIFIA moves on any of their terms, we are covering
13 that, but for the most part, a very limited dollars, maybe
14 about \$30 million to cover those contingencies.

15 MR. HOUGHTON: Out of \$800 million, right?

16 MS. NEES: Right. And those are just for
17 contingencies.

18 MR. VANDERGRIFF: I understand, but that's a
19 direct result of being able to use this process, the aid
20 process and be able to use the loan guarantee from the -- or
21 the loan from the Federal Government, correct?

22 MS. NEES: That's correct.

23 MR. VANDERGRIFF: All right.

24 MS. NEES: And construction contingencies, but
25 once again those are contingencies, and we may not need

1 that.

2 MR. VANDERGRIFF: You're right again. Just
3 pointing out that there are some good tools out there that
4 are very helpful.

5 MS. NEES: Yes.

6 MR. HOUGHTON: Representative Thompson?

7 MR. THOMPSON: Thank you, Commissioner --
8 Chairman, and Commissioners. I want to thank ya'll for
9 allowing me to speak. I was told when I got to the House if
10 they are ready to vote for your bill, sit down and shut up,
11 so I'm going to just make this real quick.

12 But I want to thank ya'll for the hard work on
13 this project. We've had many, many conversations about a
14 lot of the things that are in this and I'm very excited
15 about it. During the session, when we were voting on
16 transportation in the special session, as votes would come
17 up, I would tell people -- they would ask me how I was going
18 to vote and I answered that question many times, and I
19 finally told them, I said, Look meet me in the middle of 288
20 at 6:30 in the morning and ask me how I'm going to vote.

21 So hopefully you solved that issue for me, and I
22 really do appreciate it. Our constituents, I know, are
23 going to be happy.

24 There's a TV show where they say "Move that bus,"
25 well, I'm just saying, let's move that dirt. Let's get

1 going. Thank ya'll so much.

2 MR. AUSTIN: Representative, if I ask --

3 MR. THOMPSON: I'm happy to answer questions.

4 MR. AUSTIN: Yeah?

5 MR. THOMPSON: Yeah.

6 MR. AUSTIN: You represent Brazoria County --

7 MR. THOMPSON: Yes, sir.

8 MR. AUSTIN: -- to the south of this project?

9 MR. THOMPSON: That's correct.

10 MR. AUSTIN: You like this project? And the
11 reason I say that is we have had some conversations before
12 it just goes to show that with regional consensus at looking
13 how we can do something, this is where we are today.

14 MR. THOMPSON: Yes.

15 MR. AUSTIN: So thank you. I know you've been
16 listening to your community, to the businesses and a lot of
17 folks. I think this is a great example to show using good
18 tools.

19 MR. THOMPSON: Well -- and I think it's a good
20 example of -- and you'll hear from Judge Sebesta and Mayor
21 Reed about working together, both at local and the State
22 folks. The county has done a tremendous amount of work on
23 this and they've done a great job and I'm very supportive of
24 the direction that they're going.

25 Brazoria County is growing. My district is

1 growing. As you know, the medical center area is growing,
2 and we have got to keep up with this. I have said all along
3 that roads are our best economic development tool in my
4 opinion. I'm old enough to remember them building the 610
5 Loop in Houston, and if you drive around that 610 Loop and
6 you see the development that's occurred just in my lifetime,
7 it's beyond anything that you can imagine, and this is going
8 to be the same thing. This is going to help our communities
9 and our folks be able to travel back and forth and it's
10 going to be great for economic development.

11 What's going on in the south with the expansion of
12 the industry down there, the ports? It's a win, win, win.
13 Thank ya'll so much.

14 MR. AUSTIN: Thank you.

15 MR. HOUGHTON: Thank you, Representative.

16 Next up, Representative Boris Miles.

17 (Laughter)

18 Is he here? Did he leave?

19 MR. MCMONAGLE: I think he went back to the
20 Capitol.

21 MR. HOUGHTON: Is he back at the Capitol?

22 Note that he signed up to speak.

23 Next, Kevin Cole, Chairman, Greater 288
24 Partnership.

25 MR. COLE: Yes, sir. Thank you, Chairman Houghton

1 and the Commission.

2 As Representative Thompson said, we'll be brief.
3 Today is a monumental day for this project. As chairman of
4 the Greater 288 Partnership, I'll take you back real quickly
5 in time to 2008 or so. This was a high priority on Harris
6 County's list, and coming around to 2009, it was dropping
7 literally like a rock in water. It was falling off of their
8 radar screen. We created the partnership in early 2010, and
9 truly became that squeaky wheel to say that we have got to
10 do something about it.

11 And I can't say enough thank you to the
12 Commission; to the TxDOT staff; General Weber, his staff;
13 Mike Alford, his staff; as well as the special projects team
14 out of Houston. And I know he's not here today, but I have
15 to say thank you to former Commissioner Ned Holmes, because
16 Ned took the ball, literally, and ran with it; helped
17 negotiate that MOU, to bring primacy back to TxDOT.

18 Commissioner Moseley, thank you for keeping -- and
19 he passed that baton or passed that ball to you and you've
20 been running with it and you've helped secure the dollars
21 for the direct connect. It would be impossible to move
22 forward on this project without those direct connects in
23 there, and we thank everyone involved.

24 Brazoria County has stepped up to the plate on
25 their side of the project and are advancing that ball as

1 fast as we possibly can to make this a seamless transition
2 as it moves forward. So there's a lot more thank yous that
3 I will probably miss, but this was a monumental day for 288,
4 the partnership, Brazoria County, and that southern part of
5 the region in Houston. Thank you greatly.

6 MR. HOUGHTON: And batting clean-up, Judge?

7 MR. THOMPSON: Thank you, Mr. Chairman.

8 This is a wonderful day for Brazoria County. We
9 have been working on this project going back to 2003, when
10 Brazoria County realized how important 288 was to the
11 further growth of our county, so we really appreciate you
12 guys working with us, working through the process.

13 If ya'll remember, just ten short months ago, we
14 were at a point where the direct connectors were coming out
15 of the project, and I know we gashed teeth over it. We
16 discussed it at length. Representative Thompson was a great
17 ally in stepping up when ya'll were going to Freeport and
18 said we have to have those direct connectors in.

19 We appreciate ya'll working with us to make that
20 happen, because without those direct connectors, our part of
21 the project just does not work. So this is great news for
22 us. It is great news for the region. This will be a
23 fantastic opportunity, and Representative Thompson kind of
24 mentioned, we've got \$30 billion in petrochemical investment
25 going in the Southern part of the County, and so it's just

1 increasing the rate of growth in the county and really
2 making things happen.

3 So, with that being said, I also kind of want to
4 talk about my friend, Mike Alford. Mike and I have only
5 known each other for about the last eight years. But going
6 back, we shared a common thread; as young engineers, we both
7 shared a former TxDOT engineer as our mentor, Mr. Charlie
8 Frye, who talked me into being a civil engineer; had me as a
9 summer employee at TxDOT back in '81 and '82, and was a
10 great mentor for me as a young engineer, as I believe he was
11 for Mike when Mike was in La Marque, fresh out of college.
12 So our common thread goes back, but I can guarantee you,
13 even though Mike's been sitting here most of the day, on his
14 next-to-the-last-day of employment, I hit him with an
15 opportunity last Friday and he's been working on it to get
16 it resolved for one of my constituents.

17 So it's been great working with him, and I want to
18 also thank you for allowing Matt Hanks from Brazoria County
19 to sit in as an observer on this process. We really
20 appreciate that partnership and we thank you for everything
21 that ya'll have done. And I also -- the City of Pearland --
22 Pearland Day was yesterday, but most of the Pearland folks
23 stayed here overnight to be here this morning for the
24 Transportation Commission meeting because it's that
25 important to our region. So thank you once again.

1 And also, Commissioner Underwood, Chairman
2 Houghton, thank you for your many, many, many hours of
3 dedication to the citizens of Texas, all 26 million-plus of
4 us, and I'm just very glad with ya'll's friendship and work
5 on that, that we could get to this point today while you
6 guys were still here. So thank ya'll very much for your
7 dedicated service to the citizens of Texas.

8 MR. HOUGHTON: Thank you, Judge.

9 MR. THOMPSON: Thank you.

10 (Applause)

11 MR. HOUGHTON: I will now entertain from
12 Commissioner Moseley a motion.

13 MR. MOSELEY: Chairman, indeed a pleasure to move
14 approval of the recommendation by Katie Nees to enter into
15 contract negotiations for a strategic corridor that will
16 directly impact the Texas Medical Center where about 10 to
17 15 percent of the population lived, and Pearland, mayor
18 Reed, and so it's a pleasure to move approval of this
19 recommendation by staff.

20 MR. AUSTIN: I'm honored to second that one.

21 MR. HOUGHTON: There's a motion and a second.

22 All in favor?

23 (Chorus of "Ayes")

24 MR. HOUGHTON: Congratulations to the 288
25 partnership in Pearland -- in Brazoria.

1 Okay. Katie, next?

2 MR. MCMONAGLE: And now to Item 11(c), approval of
3 the State Highway 360 proposal selection. Katie Nees, once
4 again.

5 MS. NEES: Thank you. Good afternoon.

6 I'll wait until the presentation gets booted up.
7 Thank you. Thank you very much.

8 Next up is Item 11(c), State Highway 360 Project,
9 design-build project for 11(c). I will be presenting a
10 description of the project, an overview of the procurement
11 process, the apparent best-value proposer, a summary of the
12 proposal evaluation, next steps, and requesting Commission
13 approval.

14 This project is very significant in a different
15 way than from the last one. This one is really truly a
16 partnership between a number of different entities. TxDOT
17 will initially fund the project and will be the lead agency
18 for the procurement, design, construction and right of way
19 acquisition; however, it is a strew partnership with NTTA.
20 NTTA has been an active participant in the procurement
21 process. They will be responsible for collecting and
22 setting tolls. They will be repaying TxDOT the loan from
23 toll revenues collected they'll perform toll system
24 integration, operation and maintenance on the facility, as
25 well as tolling equipment.

1 But we couldn't have done it without our partners
2 with the North Central Texas Council of Governments. They
3 will actually be -- they were an active participant also in
4 the process, but they also helped with a lot of the
5 agreements between the various parties, and they provided
6 security for the shirt full of toll revenues and a backstop
7 to NTTA and TxDOT.

8 And we have local partners, as well. Local
9 governments, who may participate in the finding of the
10 options, but were also instrumental in helping us develop
11 this project and support is this project going forward.

12 A bit about the base scope. The base scope is
13 located in Tarrant, Ellis, and Johnson counties. It is a
14 design-build project, approximately about 9.2 miles in
15 length. The base scope consists of four tolled, managed
16 lanes; two each direction from east Sublett Road to Bramm
17 Street, and then one tolled managed lane, each direction,
18 with alternating passing lane, commonly called a Super 2, as
19 well; a northbound frontage road from Harris Parkway to
20 US 287, continues north and southbound. Frontage roads,
21 with the railroad repair and resurfacing of existing
22 frontage roads and a price and options to exercise under the
23 capital maintenance agreement.

24 Just a little bit about the base scope
25 cross-section. Once again, north section is two lanes each

1 direction. South is the super two for the base scope.

2 In addition to the base scope, we felt like we
3 might actually get a little bit more, so we had three
4 options for the proposers to bid on. The first option
5 extended four toll lanes to each direction for the entire
6 length of the facility. Option 2, constructs a new US 287
7 interchange and associated frontage roads. And option 3 is
8 for the ultimate build-out of nine cross streets that
9 intersected with the facilities and the cities are
10 Arlington, Grand Prairie, and Mansfield, should funding
11 become available.

12 We had a very short procurement process.
13 Expedited environmental clearance was received on January,
14 2014. Requests for qualifications were issued March, 2014.
15 Five short-listed proposers were selected June, 2014. Four
16 proposals were received January, 2015. One proposer,
17 however, did drop out, and today we are recommending a
18 conditional award.

19 The four proposers in alphabetical order were --
20 the first proposer is 360 Now Developers. Equity owner is
21 Walsh infrastructure, and there is a listing of their
22 non-equity members.

23 The second in alphabetical order is Balfour Beatty
24 Infrastructure, Inc. The equity owner is Balfour Beatty
25 Infrastructure, Inc., and a listing of their non-equity

1 members.

2 The third proposer is Lane-Abrams Joint Venture.
3 Equity owner, Lane Construction Corporation and JD Abrams,
4 and a listing of their non-equity members.

5 The fourth and final is Zachry-Parsons
6 Design-Build Joint Venture. Zachary Construction
7 Corporation, Parson Transportation Group is the equity
8 owner, with the non-equity members listed.

9 Once again, we had a rigorous evaluation
10 procedure, very similar to 288. Evaluation teams were
11 trained. Utmost confidentiality was maintained. Pass/fail
12 was done on technical and financial submittals. All
13 proposers met the pass/fail and responsive requirements. No
14 firms were disqualified.

15 The price is for the best apparent best-value
16 determination. A hundred points in scoring, price was 80
17 points and technical was 20 points. The design-build score
18 of 80 points, 75 percent was ford base scope; 15 percent for
19 option 1; 5 percent for option 2; and 5 percent for option
20 3. And the technical score was 20 points; 40 percent for
21 technical solutions; 40 percent for project management plan;
22 and 20 percent for project quality plan.

23 Whoops, hang on just a sec. I would like to call
24 Elizabeth Mow up to help me do the next step, which is the
25 announcement?

1 MR. HOUGHTON: Is she going to play the trumpet?

2 MS. NEES: She's going to play the trumpet in true
3 partnership. Elizabeth is going to play the trumpet and
4 then announce the winner.

5 MS. MOW: Afternoon. Thank you.

6 MS. NEES: Keep going.

7 (Trumpet fanfare plays)

8 MR. HOUGHTON: You don't know that one?

9 MR. MOSELEY: Place your bets.

10 MS. MOW: And the best-value recommendation is
11 Lane Construction Corporation, JD Abrams Joint Venture.

12 MR. HOUGHTON: Now, this is -- wait a minute.
13 Wait, don't leave yet.

14 Commissioner Vandergriff, is this a first?

15 MR. VANDERGRIFF: This is --

16 MR. HOUGHTON: I mean we've reached all sorts of
17 milestones.

18 MR. VANDERGRIFF: We have had several firsts
19 today. We had a resolution honoring you from NFTA.

20 (Laughter)

21 MR. HOUGHTON: Yeah, that's what I'm saying.

22 MR. VANDERGRIFF: I think you defeated on narrow
23 margins with other types of resolutions in the past when I
24 was there, but to have the NFTA and TxDOT stand at the
25 podium together on this, is also, I think, a first.

1 MR. HOUGHTON: And have an NTTA employee announce
2 the winner?

3 MR. VANDERGRIFF: Absolutely.

4 MR. HOUGHTON: Congratulations. We've turned a
5 big corner here.

6 MR. VANDERGRIFF: Yeah.

7 MR. MOSELEY: Thanks Elizabeth.

8 MS. MOW: Thank you for having me here.

9 MS. NEES: Thank you.

10 MR. MOSELEY: Good job, too, by the way.

11 MS. NEES: As Elizabeth mentioned, lane
12 construction, one with the 97.02 points. Just a little
13 about their high level about their pricing, by \$237 million
14 for the base scope, but we also got a great deal on option
15 1; we got it for a dollar, which I don't mind contributing.
16 Option 2, a design-build price for 11.65 million.
17 Opposition 3, design-build price at 29.7 million.
18 And then we also got an excellent pricing on the
19 COMA, which is our Comprehensive Maintenance Agreement for
20 the facility.

21 In addition, we guilty or not guilty great
22 schedules. We got 285 -- 785 days for the base bids, plus
23 option 1 and additional days for option 2 and then a total
24 number of days, if we were to take option 1 and option 2 in
25 consideration with NTTA, it would be equal to about 810

1 days.

2 Once again, this was truly a monumental effort by
3 a lot of people listed on the evaluation team who spent
4 countless hours. And I definitely wanted to thank Elizabeth
5 now for loaning us Marc Bouma and Wallace Heimer. They
6 brought some great insights into the program. They were
7 with us like step of the way, every part of the process.
8 Very, very much appreciate their input.

9 Also, I definitely appreciate the District's
10 support. I think that Brian Barth is in the audience.

11 Brian, would you like to come on up?

12 Brian, in the District; Bill Hale, as well; Kelly
13 Suman; Tony Pavera; Randy Redman; John Hudspeth; Greg
14 Carrillo; John Newman -- he was also working on the southern
15 gateway -- Lloyd Bustle; lots of Fort Worth stuff and Dallas
16 District stuff; our TxDOT Office of General Counsel; once,
17 again, Jack Ingram and Claire McGuinness; Trisha del la
18 Peña; and Jack Petra from our external counsel, Nossaman;
19 Debt Management Office, Ben Asher, Deborah Fleming, Sara
20 Chapa; procurement team, Dieter Billek, Scott Spradlin,
21 Mildred Litchfield; CDM Smith, John Pollard, Andrew Keetley;
22 Brown & Gay, Stoney Skidmore, Michael McMicken.

23 Once again, also, a very big thanks to the NCTCOG
24 staff, who was with us every step of the way, Elizabeth
25 Whittaker and Darryn Barks, and also, I don't know, is

1 Michael Morris in the audience? No, didn't make it?

2 I was going to give Michael an opportunity to
3 speak. And then Elizabeth, would you like to say anything?

4 MS. WHITTAKER: Quickly, I just want to thank all
5 of you for your leadership, not only for this project, but
6 for all the projects that you partner with, local agencies,
7 like the NTTA, to get projects across the goal line, so I
8 appreciate it. Thank you.

9 MR. HOUGHTON: Thanks, Elizabeth.

10 MS. NEES: And in conclusion, our next steps,
11 there's a selection of the best-value proposer. A
12 negotiation of final terms will come back to the Commission
13 and ask for approval of the final contract later this
14 spring. Execute agreement to issue MTP 1 for commercial
15 close. Begin construction around September, 2015;
16 substantial completion by 810 days later.

17 MR. HOUGHTON: Any questions?

18 MS. NEES: Any questions?

19 MR. VANDERGRIFF: Now, I do want to note a couple
20 of things when you're giving some thanks out when,
21 obviously, kudos to all the staff on both teams for this.
22 And it's such a unique experience for me to be on one team
23 during the beginning of this and on the other team at the
24 end, very unique.

25 But I do have to comment on a couple of folks that

1 aren't here that haven't been mentioned. One is the
2 previous executive director, was focused to help get this
3 project done, fill Wilson, and so I wanted to acknowledge
4 that. He was -- had to kind of reason among some of the
5 insanity and I appreciate that.

6 And the second person who was here earlier -- I
7 think he gave up on us about 30 minutes in -- but that was
8 Commissioner Meadows who, I once asked him, why do we do
9 this? And he said because it was the right thing to do so
10 anyway, he really deserves a lot of credit for moving this
11 one forward.

12 MR. HOUGHTON: If there are no other questions,
13 then Commissioner Vandergriff, is there a motion?

14 MR. VANDERGRIFF: Yes, but I'm sorry, I have to
15 also notice Clay Chandler, who's the city manager of
16 Mansfield.

17 MR. HOUGHTON: Oh, I'm sorry.

18 MR. VANDERGRIFF: Clay, do you want to talk?

19 MR. CHANDLER: Obviously, I felt like talking.

20 MR. HOUGHTON: I'm sorry. Thanks for reminding
21 me.

22 MR. CHANDLER: And I realize, you know, I don't
23 want to make this long. I just want to say, you know, I've
24 been coming here for 30 years, and, in fact, the very first
25 project when I came to Texas from Ohio, the very first

1 meeting was Highway 360. Actually, I started working on
2 this project with Victor's dad in the North Central Texas
3 region, and I was a young, kind of brash guy -- I was
4 telling him earlier -- who wanted to push TxDOT, push RTC,
5 do whatever, and he kind of pulled me aside and said, Clay,
6 let me give you the benefit of maturity and experience.

7 I have grown, also, to appreciate. And my only
8 purpose in being here today was, number one, to just thank
9 all of you and all of TxDOT. I do believe that we have the
10 best highway system in the country. I believe that's due to
11 you guys. I think this is one of the best commissions that
12 I have ever seen. I am pleased that I have to be here today
13 to hear, you know, some of the awards that are appreciation
14 that's been expressed. It's really deserved. You guys have
15 been examples to others, and I am so appreciative that 360
16 is meeting this milestone.

17 I also want to praise our district staff. Brian
18 Barth is super. I have worked with a lot of individuals,
19 and he and his team have just been great to work with, and
20 as Chairman Houghton pointed out, the coming together
21 between NTTA, TxDOT, all of these cities, is just
22 tremendous, and I would convey to you that we are unanimous
23 in our area, County, Cities, and everybody. We want this
24 road, and we believe that this is going to be economic
25 growth, where this road goes.

1 We do not see anything that would detract from
2 property values. We are really looking forward with a great
3 deal of excitement. And I guess in closing, I hear a lot of
4 people talk about the economic engines, whether it's oil,
5 whether it's the Cities or whatever, you guys and the
6 decisions that have been made here over 30 years have grown
7 the State of Texas and our economy and it's much
8 appreciated. Thank you.

9 MR. HOUGHTON: Thank you very much.

10 Commissioner Vandergriff?

11 MR. VANDERGRIFF: I move for approval.

12 MR. MOSELEY: Chairman, I am pleased to second,
13 and I remember whenever this came forward, my very profound
14 sense was that 360 will serve as strategic reliever to I-35
15 E and I-35 W, and with so much growth coming into North
16 Central Texas, it just seems like a wonderful corridor to
17 begin working on.

18 MR. HOUGHTON: There's a motion and a second.

19 All in favor?

20 (Chorus of "Ayes")

21 MR. HOUGHTON: Congratulations, and thank you,
22 Katie, great job.

23 MS. NEES: Thank you.

24 MR. HOUGHTON: Great job.

25 (Applause)

1 MR. HOUGHTON: Okay. Let's go back to -- in order
2 again. Put it back in order.

3 MR. MCMONAGLE: Yes, sir.

4 Next we somewhere Item 6, adoption of the Texas
5 Transportation Plan, 2040. Transportation Planning and
6 Programming Division Director, James Koch, will present.
7 James?

8 MR. KOCH: Good afternoon, Mr. Chairman,
9 Commission Members and Chief McMonagle.

10 For the record, my name is James Koch, Director of
11 Transportation Planning and Programming division for TxDOT.
12 In accordance with federal and State law, TPP staff and a
13 team of consultants developed a performance-based statewide
14 long-range multimodal transportation plan. The Texas
15 Transportation Plan 2040 was developed in cooperation with
16 the districts, divisions, transportation providers, effected
17 local officials, Metropolitan Planning Organizations, and
18 the public.

19 We posted a public hearing notice in The Texas
20 Register on Friday, January 23rd, 2015, opening the 30-day
21 comment period on the draft Texas Transportation Plan that
22 was posted on TxDOT's website on the same date.

23 The public hearing was held on Wednesday,
24 February 11th, 2015, and no comments were received at the
25 hearing. No comments were received during the 30-day

1 comment period.

2 On behalf of the Department and TPP, I am
3 requesting the adoption of the Texas Transportation Plan
4 2040 today at this meeting. Thank you.

5 MR. HOUGHTON: Any questions from James?

6 Is there a motion?

7 MR. MOSELEY: So moved.

8 MR. AUSTIN: Second.

9 MR. HOUGHTON: All in favor?

10 (Chorus of "Ayes")

11 Thank you.

12 MR. MCMONAGLE: Next we have Item 7(a), award of
13 the § 5317 funds, director of public transportation, Eric
14 Gleason will present.

15 Eric?

16 MR. GLEASON: Thank you, Mr. McMonagle.

17 Mr. Chair, Members of the Commission, good
18 afternoon. For the record, my name is Eric Gleason, TxDOT
19 director of public transportation.

20 Agenda Item 7(a) awards \$5,000 of Federal Transit
21 Administration New Freedom Grant program funds to the Texas
22 State Independent Living Council. These funds will be used
23 to support the communication and dissemination of
24 information on transportation program best practices for
25 individuals with disabilities at their annual education

1 conference.

2 TxDOT has a growing partnership with the State
3 Independent Living Council, as well as with locally based
4 centers for independent living around the state to support
5 innovative approaches to provide mobility options for
6 residents with disabilities to get to work, school,
7 shopping, and healthcare destinations. This is the third
8 consecutive year we have provided support to their annual
9 conference. We recommended approval of this minute order.

10 MR. HOUGHTON: Motion?

11 MR. AUSTIN: So moved.

12 MR. UNDERWOOD: Second.

13 MR. HOUGHTON: All in favor?

14 (Chorus of "Ayes")

15 MR. GLEASON: Agenda Item 7(b), awards an amount
16 not to exceed \$20,000 to the Central Texas Rural Transit
17 District to assist in the 2015 statewide rodeo expenses.

18 Each year, the Texas Transit Association organizes
19 a statewide transit rodeo event promoting safe transit
20 operating and vehicle maintenance best practices through
21 friendly competition. TxDOT has historically participated
22 in this event, providing funds for equipment and logistical
23 support. This year's event is hosted by DART and it's
24 scheduled to be held on Saturday, April 11th.

25 We would recommend approval of this minute order.

1 MR. HOUGHTON: Motion?

2 MR. AUSTIN: So moved.

3 MR. HOUGHTON: Second.

4 All in favor?

5 (Chorus of "Ayes")

6 Thank you. Again, thank you.

7 MR. GLEASON: The next item is Item 8(a)(1), final
8 adoption of rules to Chapter oh.

9 UNIDENTIFIED SPEAKER: No, no, no. It's 7.

10 MR. HOUGHTON: Oh, he --

11 MR. GLEASON: I'm sorry. I got one more.

12 Next we have Item 7(c), award of federal section
13 5311 funds.

14 Eric, please continue.

15 MR. HOUGHTON: You weren't short somebody, were
16 you?

17 MR. MCMONAGLE: Well, he went twice, and I -- this
18 is the big one.

19 MR. GLEASON: Adjacent item 7(a) awards
20 approximately \$20.1 million. In fiscal year 2015, Federal
21 Transit Administration Section 5311 funds. These funds are
22 used -- these funds are for use in the provision of general
23 purpose public transportation services in non-urbanized or
24 rural portions of the state. Funds are allocated among 38
25 Rural Transit District serving 247 of the State's 254

1 counties. Specifically, as required by the Texas
2 Administrative Code, the \$20.1 million is distributed to
3 each of the RTDs based on their proportional share of
4 population, land area, and performance. Amounts are listed
5 in Exhibit A.

6 Subsequent actions by the action Commission later
7 this year will award funds from this program from
8 competitively selected projects and from each Rural Transit
9 District's proportional revenue miles reported for the last
10 fiscal year. The subsequent awards will depend in part on
11 Congressional action authorizing the federal transportation
12 Program beyond its current date of May 31st, 2015.

13 In 2014, these Rural Transit Districts in Texas
14 carried 6.3 million passengers and provided over 32 million
15 miles of service.

16 Staff recommends approval of this minute order.

17 MR. MOSELEY: Chairman, I would like to second
18 Commissioner Underwood's motion to approve.

19 MR. HOUGHTON: But before you do that, before you
20 get out there --

21 MR. MOSELEY: Oh, we have a speaker?

22 MR. HOUGHTON: -- way out in front of that horse,
23 John Thompson is in the back and would like to talk about
24 this.

25 Judge?

1 MR. THOMPSON: I just said I'm here. Thank you.

2 MR. HOUGHTON: Okay. Rural transit, okay.

3 MR. MOSELEY: I just seconded Commissioner
4 Underwood's motion to approve, are you okay with that?

5 MR. THOMPSON: I don't think it's my place.

6 MR. HOUGHTON: We have a motion and we have a
7 second.

8 All in favor?

9 (Chorus of "Ayes")

10 MR. HOUGHTON: Thank you.

11 MR. MCMONAGLE: Now, we'll move to Item 8(a)(1),
12 financial adoption of rules to Chapter 4 employee practices.
13 The chief of staff will present.

14 Chairman and commissioners, my name is Rich
15 McMonagle and I'm the chief of staff.

16 The minute order before you will enhance the
17 Department's management of our substance abuse program by
18 making it more equitable and reduce confusion by changing a
19 term which is a different meaning in the US Department of
20 Transportation regulations. It authorizes the Department to
21 conduct random drug and alcohol testing on all employees who
22 perform duties that would pose a threat to public safety, if
23 performed while impaired.

24 It further specifies that causing a serious
25 vehicle or non-vehicle incident constitutes reasonable cause

1 to believe that an employee is working under the influence
2 of drugs or alcohol, permitting the Department to require
3 the employee to undergo drug and alcohol testing, and
4 requires current employees to pass a drug and alcohol test
5 before being transferred or being promoted into a position
6 as a commercial driver, safety sensitive employee, or vessel
7 crew member.

8 Restrictions on the number of off-duty alcohol and
9 drug-related driving offenses an employee may have
10 accumulated, are also tightened. We did not receive any
11 comments from the public on this item; therefore, staff
12 recommends approval of this minute order before you now.

13 I'll be happy to address your questions.

14 MR. HOUGHTON: Is there a motion?

15 MR. AUSTIN: So moved.

16 MR. UNDERWOOD: Second.

17 MR. HOUGHTON: All in favor?

18 (Chorus of "Ayes")

19 MR. HOUGHTON: I think, James, you're up.

20 If you want to announce it?

21 MR. MCMONAGLE: Yes, sir I can.

22 Next is Item 8(a)(2), final adoption of rules to
23 Chapter 167, planning and development of transportation
24 projects. Transportation Planning and Programming Division
25 Director James Koch will present.

1 James? *8a2

2 MR. KOCH: Good afternoon, again.

3 For the record, my name is James Koch, director of
4 the Transportation Planning and Programming Division for
5 TxDOT. Is this minute order proposes the final adoption to
6 amendments of the Texas Administrative Code Rules Chapter
7 16, concerning transportation funding. The proposed
8 amendments are necessary to provide greater flexibility in
9 the methods used to distribute funds to the Department's
10 Unified Transportation Program, and to ensure that resulting
11 projects are amended efficiently and in alignment with
12 current transportation system needs considering the guiding
13 principles identified by the House Select Committee on
14 transportation funding, expenditures, and finance, as well
15 as the recommendations of the Proposition 1 Stakeholder
16 Committee.

17 Written comments on the proposed rules were
18 accepted until 5:00 p.m. on February 2nd, 2015. No comments
19 were received.

20 Staff recommends approval of this minute order.

21 MR. VANDERGRIFF: So moved.

22 MR. UNDERWOOD: Second.

23 MR. HOUGHTON: All in favor?

24 (Chorus of "Ayes")

25 MR. HOUGHTON: All right. Onward, who's got it?

1 MR. MCMONAGLE: Item 9 is for the approval of the
2 Unified Transportation Program, James, please continue.

3 MR. KOCH: Again, for the record, my name is James
4 Koch, director of the Transportation Planning and
5 Programming Division for TxDOT.

6 This minute order approves updates to the 2015
7 UTP. The UTP is the ten-year transportation planning
8 document that guides and is intended to control project
9 development efforts for the Department. The Commission
10 approved the 2015 UTP on August 28th, 2014, and revisions to
11 the 2015 UTP on November 20th, 2014.

12 A statewide public meeting was held via WebEx on
13 Tuesday, January 20th, 2015, to discuss the proposed updates
14 to the 2015 UTP. A briefing regarding the proposed updates
15 was also provided during the January Commission meeting.

16 The formal public hearing to receive comments and
17 testimony was conducted Thursday, February 12th, 2015 at
18 10:00 a.m. Comments regarding the proposed amendments were
19 accepted until February 23rd, 2015 at 4:00 p.m. We created
20 a webpage dedicated to Proposition 1, which has received
21 3,962 unique page hits with an average time per page of
22 approximately five minutes.

23 Also, we received a total of 859 public comments
24 regarding Proposition 1, most offering support of selected
25 projects. Sixty percent of all comments received were in

1 support of projects selected for the Austin area.

2 This minute order updates funding allocations to
3 include the distribution of Proposition 1 funding and
4 authorized funding on priority projects for congestion and
5 connectivity.

6 In addition, this minute order addresses revisions
7 to projects, specific program lists, and includes other
8 minor revisions or technical corrections. Also provided for
9 informational purposes, is a report on transportation
10 development, credit balances, and all administrative
11 revisions previously incorporated into the UTP.

12 It should be noted that some of the Prop 1
13 projects will let next month in March. Most of the Prop 1
14 projects will let by the end of the state fiscal year, which
15 is August, 2015, and all of the Prop 1 projects will let by
16 the end of the calendar year, 2015.

17 At this time, I will be happy to take any
18 questions the Commission may have. Staff recommends
19 approval of the proposed updates to the UTP.

20 MR. HOUGHTON: We have a few people who would like
21 to speak, so, Anne Vaughn, president and CEO of Port
22 Aransas, Chamber of Commerce; is Anne here? No?

23 John Breeding, president of Uptown.

24 MR. BREEDING: Mr. Chairman, Commissioners, and
25 staff, just very quickly, I just want to say thank you very

1 much for this inclusion of a project that we have, that you
2 approved back in July of last year where the Uptown District
3 is committing \$20 million to help build a dedicated bus lane
4 on the west Loop. We look forward to the implementation of
5 this project and we particularly thank you for your
6 leadership, your patience, as our local community got its
7 act together on this project.

8 Commissioner Moseley, we especially thank you very
9 much. Thank you.

10 MR. HOUGHTON: Terry Hall, is she here? Nope?
11 Okay.

12 That's it. Any questions of James on the UTP?
13 None?

14 Is there a motion?

15 MR. AUSTIN: So moved.

16 MR. MOSELEY: So moved.

17 MR. UNDERWOOD: Second.

18 MR. HOUGHTON: All in favor?

19 (Chorus of "Ayes")

20 MR. HOUGHTON: Congratulations, guys, gals.

21 MR. MCMONAGLE: Item 10 is the compliance, ethics,
22 and investigations report. The chief audit and compliance
23 officer, Benny Ybarra will present.

24 Benny?

25 MR. YBARRA: Thank you. The purpose of this

1 report is to provide a summary of information related to
2 investigations for the month of January, 2015, in accordance
3 with Transportation Code 201.452 and 201.454.

4 Nine allegations were assigned for investigation
5 and nine were closed. One of these was substantiated. No
6 further action is recommended. Thanks.

7 MR. MCMONAGLE: Thank you, Danny.

8 Next is Item 12, Texas Mobility Fund. Innovative
9 financing, debt management officer Ben Asher will present.

10 Ben?

11 MR. ASHER: Thanks.

12 Chairman, Commissioners, Chief, for the record,
13 I'm Ben Asher, the innovative financing/debt management
14 officer, here at TxDOT. This item is to consider approval
15 of a request from the Dallas Area Rapid Transit for \$60
16 million for capital costs related to capital improvements
17 previously approved in the UTP. This minute order would
18 allow us to enter into an agreement with them to provide
19 this funding.

20 Staff recommends approval, and I'd be happy to
21 answer any questions.

22 MR. HOUGHTON: Questions?

23 (No audible response.)

24 Is there a motion?

25 MR. AUSTIN: So moved.

1 MR. HOUGHTON: All in favor?

2 (Chorus of "Ayes")

3 MR. AUSTIN: Ben, last time, last month you were
4 up here, you were reporting on a \$348 million savings.

5 MR. HOUGHTON: Can you do that every year?

6 MR. AUSTIN: Yeah.

7 MR. ASHER: The bar, Commissioners, has been set
8 very high, but we are cautiously optimistic, and we'll be
9 back hopefully with good news down the road: I appreciate
10 it.

11 MR. AUSTIN: Thank you.

12 MR. ASHER: Appreciate it, sir.

13 MR. MCMONAGLE: Item 13(a) consists of the
14 awarding of contracts for maintenance and department
15 building construction contracts. Director of Construction,
16 John Obr will present.

17 John?

18 MR. OBR: Good afternoon. For the record, I'm
19 John Obr, Director of Construction division.

20 Item 13(a), is for consideration of the award or
21 rejection of Highway Maintenance and Department Building
22 Construction contracts let on February 3rd and 4th of to
23 2015. We present 30 projects today. Average number of bids
24 per project was 2.97. Low.

25 Bid value was \$31,004,179.10, and we had an

1 overall overrun of 123.51 percent.

2 Staff recommends award of all maintenance
3 projects, except the following five projects. All five
4 projects had a single bid. First is Galveston County,
5 RMC6255-76-001. We received one bid for this project which
6 came in at 77 percent or roughly 2.5 million over the
7 engineer's estimate, which was roughly 3.2 million. This
8 project is for a two-year maintenance and fender system
9 repair at various locations. It's very unique type of work.

10 After lengthy discussion with the contractor as to
11 reasoning for the high bid, Houston District recommends the
12 bid be rejected and allow them the opportunity to further
13 research the subject project scope and estimate. We concur
14 with this plan of action and recommend that the project be
15 rejected and relet at a later date.

16 Second, we present Grayson County RMC6281-31-01.
17 We received one bid for this project which came in at
18 30 percent or roughly \$125,000 over the engineer's estimate,
19 which was a little over \$400,000.

20 This project is for high-pavement edge removal.
21 Paris District recommends the bid be rejected due to lack of
22 competition. We concur with this plan of action and
23 recommend the project be rejected and relet at a later date.

24 Third, we present Plano County, BPM6274-49-01.
25 We, again, received one bid for this project which came in

1 at 112 percent or \$922,000 over the engineer's estimate,
2 which was about \$800,000.

3 This project utilizes maintenance funding for
4 bridge deck replacement and restriping. The Austin District
5 recommends the bid be rejected due to lack of competition
6 and funding restraints. We concur with this plan of action
7 and recommend that the project be rejected and relet at a
8 later date.

9 Fourth, we present in Oasis County RMC 6282-28-01.
10 We received one bid for this project which came in at
11 41.3 percent or \$560,000 over the engineer's estimate, which
12 was \$1.35 million.

13 This project is for cleaning, sweeping and debris
14 removal. The Corpus District recommends the bid be rejected
15 due to lack of competition and give the engineer the
16 opportunity to address pricing associated with this type of
17 work.

18 We concur and recommend that the project be
19 rejected and relet at a later date.

20 Finally we present Travis County, RMC 6276-36-001.
21 Again, one bid was received for this project, which came in
22 at 35 percent or roughly \$180,000 over the engineer's
23 estimate of \$515,000.

24 The project is also for cleaning and sweeping of
25 roadways at various locations and the Austin District

1 recommends the bid be rejected due to lack of competition.
2 We concur and recommend that the project be rejected and
3 relet at a later date.

4 Any questions?

5 MR. HOUGHTON: Questions for John?

6 MR. MOSELEY: I'll move to approve it, Chairman.

7 MR. HOUGHTON: Is there a second?

8 MR. AUSTIN: Second.

9 MR. HOUGHTON: All in favor?

10 (Chorus of "Ayes")

11 MR. HOUGHTON: Thank you.

12 Okay, John?

13 MR. MCMONAGLE: John, please proceed with
14 Item 13(b) construction contracts.

15 MR. OBR: Item 13(b) is for the consideration of
16 the award or rejection of highway and transportation
17 enhancement building construction contracts let on
18 February 3rd and 4th of 2015.

19 We present 66 projects today. The average number
20 of bids per project was 4.47. The low-bid value was
21 \$195,246,013.70. The projects are split as five projects on
22 mobility totally roughly \$55 million, and 56 projects in
23 preservation totaling a little over \$140 million. We had an
24 overall overrun of 4.29 percent.

25 Staff recommends award of all construction

1 projects, except for the following two projects: Harris
2 County, CM2015611. We received one bid for this
3 project which came in at 34.38 percent or \$521,000 over the
4 engineer's estimate, which was \$1.5 million.

5 This project is for signal upgrades and dynamic
6 message signs at various locations. Upon discussion with
7 Missouri City official, who are responsible for the overrun,
8 they wished to reject the bid, reduce the project's scope,
9 and revise the engineer's estimate.

10 We concur with this plan of action and recommend
11 that the project be rejected and relet at a later date.

12 And, finally, Harris County Project NH 2015610.
13 We received one bid for this project which came in at
14 roughly half a percent or \$2,000 under the engineer's
15 estimate, which was \$442,575.65.

16 Project is for replacement of pavement markings on
17 I-610, the East Loop from I-10 to the Houston ship channel.
18 Houston District recommends the bid be rejected because this
19 corridor was recently put under a total maintenance contract
20 which includes this work.

21 We concur and recommend the project be rejected.
22 Any questions?

23 MR. HOUGHTON: Motion?

24 MR. AUSTIN: I move as presented.

25 MR. MOSELEY: Second.

1 MR. HOUGHTON: All in favor?

2 (Chorus of "Ayes")

3 Thanks, John.

4 MR. MCMONAGLE: This brings us to Item 14, the
5 eminent domain proceedings. Director of Right of Way
6 Division John Campbell will present.

7 John?

8 MR. CAMPBELL: Good afternoon. I would like to
9 present for you -- my name is John Campbell, for the record,
10 director of the Right of Way Division. I would like to
11 present for your consideration, Item 14, which authorizes
12 the filing of condemnation proceedings necessary to progress
13 the acquisition of 44 parcels by the exercise of eminent
14 domain. Twenty-eight of these parcels are non-controlled
15 facilities and 16 are on controlled access facilities.

16 Staff recommends your approval.

17 MR. VANDERGRIFF: I move that the Texas
18 Transportation Commission authorize the Texas Department of
19 Transportation to use the -- you'd think I could get this
20 right, the last time I hopefully will read this.

21 MR. MOSELEY: Enthusiastically.

22 MR. VANDERGRIFF: And they want me to be
23 enthusiastic about all of this.

24 MR. UNDERWOOD: It may be his last time, Chairman.

25 MR. HOUGHTON: No, I think it will be. I'll tell

1 you, he ought to take great --

2 MR. AUSTIN: We should bring order so we can move.

3 MR. HOUGHTON: Take great pride in doing this.

4 MR. AUSTIN: Ya'll need to be quiet, first.

5 MR. VANDERGRIFF: He might not get a second if you
6 do it too enthusiastically.

7 MR. AUSTIN: If you tell too many people that,
8 then maybe our other two commissioners won't agree to serve
9 and you'll only to read this thing.

10 MR. VANDERGRIFF: I move that the Texas
11 Transportation Commission authorize the Texas Department of
12 Transportation to use the power of eminent domain to acquire
13 the properties described in the minute order set forth in
14 the agenda for the current month for construction,
15 reconstruction, maintenance, widening, straightening, or
16 extending the highway facilities listed in the minute order
17 as a part of the state highway system, and that the first
18 record vote applies to all units of property to be
19 condemned. Power of eminent domain to acquire the
20 properties described in the minute order set forth in the
21 agenda for the current month for construction,
22 reconstruction, maintenance, widening, straightening, or
23 extending the highway facilities listed in the minute order
24 as a part of the state highway system, and that the first
25 record vote applies to all units of property to be

1 condemned.

2 MR. HOUGHTON: Is there a second?

3 MR. UNDERWOOD: That's the best you've ever read
4 it.

5 MR. VANDERGRIFF: That was great. I'm getting
6 better with time.

7 MR. MOSELEY: But it does raise the question,
8 Chairman, of how two members arriving at the same time, how
9 could seniority be determined for the purpose of reading
10 this?

11 MR. HOUGHTON: The time sworn in.

12 MR. MOSELEY: I lost by ten minutes.

13 (Laughter)

14 MR. HOUGHTON: There you go. There you go.
15 There's a motion and a second.

16 All in favor?

17 (Chorus of "Ayes")

18 Thank you

19 MR. MCMONAGLE: Item 15 contains the routine
20 minute orders including do nations to the Department, real
21 estate dispositions and donations, reports, transportation
22 planning, highway designation, and speed zones.

23 MR. HOUGHTON: Is there a motion?

24 MR. AUSTIN: So moved.

25 MR. HOUGHTON: A second?

1 MR. MOSELEY: Second.

2 MR. HOUGHTON: All in favor?

3 (Chorus of "Ayes")

4 MR. HOUGHTON: And we're not quiet finished yet.
5 We just couldn't help ourselves, could we?

6 Okay. Two, TAP funding. Leslie Luciano is not
7 here, I know. I think she left.

8 TAP funding, again, Jack Sanford.

9 MR. SANFORD: Good afternoon, Commissioners,
10 Chairman Underwood -- Chairman Houghton, Commissioner
11 Underwood. Thank you so much for your great service to our
12 state.

13 MR. HOUGHTON: I can vacate right now and go
14 back --

15 MR. SANFORD: All right.

16 My name is Jack Sanford. I'm the policy manager
17 for BikeTexas, and I'm here today to tell you about a couple
18 of great projects that could be built with TAP funding;
19 that's the Transportation Alternatives Program. This is \$35
20 million per year allocated to TxDOT from the Federal
21 Government in order for spend on bike/ped projects.

22 And I'm here to ask you that you do a Call for
23 Projects under this to specifically target such projects as
24 I'm going to talk about, larger demonstration projects that
25 can have a huge impact. The sheet that I handed out to you

1 is an article from the San Antonio Business Journal,
2 highlighting a 1.2 mile trail in doesn't San Antonio that
3 generated \$250 million of new construction over the last
4 five years.

5 The San Antonio River Authority that built this
6 trail and many other great trails along the San Antonio
7 River and has had a huge impact on the revitalization of
8 downtown San Antonio is now targeting tributaries of the San
9 Antonio River through the through the West Side Creeks
10 Project. They estimate that they could build eight miles of
11 trail along what are essentially drainage ditches now for
12 \$67 million. That would be two years of TAP funding to have
13 an enormous economic impact on the citizens of San Antonio
14 and on our great State, through increased sales tax revenue
15 and hotel tax revenue.

16 The other project that I would like to talk about,
17 if I may, that Leslie Luciano was going to address is the
18 red line trail, here in Austin. This is a 50-mile trail
19 following Cap Metro's red line train out to Leander, that's
20 shovel-ready. That would connect schools and neighborhoods
21 and places of business to transit. It would leverage our
22 transit assets that we currently have and serve as the
23 backbone of a proposed bicycle network that could see eight
24 percent of all trips once complete. That's eight percent of
25 all trips. That's what we estimate for the entire transit

1 network. This would have a huge impact on congestion,
2 quality of life here in Austin, and it would just be a
3 really amazing thing.

4 Estimates to build it are just \$50 million. Now,
5 I have talked to many TxDOT employees saying, you know, I'm
6 asking you all and many people from around the state have
7 been asking you to do a Call for Projects under TAP, and
8 unfortunately, many TxDOT employees already tell me, We're
9 already doing a Call for Projects. So what I wanted to do
10 was to share this graphic again, that the Call for Projects
11 that has been done under TAP is this portion. It's mandated
12 by the Federal Government that TxDOT do a Call for Projects
13 only targeting the small MPOs. It's statewide if you
14 discount everyone who lives in an area with more than 2,000
15 people, which is most of the state.

16 So small areas like Karnes City is able to use
17 this funds to build a trail for all the new people moving
18 there for the oil shale boom. But places like Austin and
19 San Antonio can't use this to massively relieve congestion
20 in a way that's a lot less controversial than some of the
21 things that I've heard today. Now, what I'm talking about
22 here is this \$36 million that's available to TxDOT every
23 year. We're entering now the third year of this funding.
24 If you did a multi-year Call for Projects, targeting one or
25 two demonstration projects, you could build some of the

1 amazing projects that people from all over the state have
2 told you about, the Northeast Texas Trail, the West Side
3 Creeks Projects, the Red Line Trail. There's so many
4 projects like this around the state that would have an
5 enormous impact, and I urge you to spend this funding where
6 it needs to go, for bike-ped projects like this, these large
7 demonstration projects.

8 Thank you for your time today. Thank you.

9 MR. HOUGHTON: Thank you.

10 (A tone played throughout the conference room.)

11 MR. HOUGHTON: Boy, right on the mark, right on
12 the money.

13 Any other business, Robin? None?

14 MR. STALLINGS: Chairman, as a final gesture of
15 appreciation for you and for Commissioner Underwood,
16 Commissioner Vandergriff and Commissioner Austin and General
17 Weber and I, we thought about a timepiece, but you have --
18 you and Commissioner Underwood would have so much time in
19 front of you that really measuring it by hours really
20 wouldn't be sufficient.

21 (Laughter)

22 MR. STALLINGS: So we have here a calendar to
23 present to you. This is not just any calendar. It goes a
24 hundred years into the future, and so perhaps it will help
25 you as you look at your new chapters of your life. And so

1 we wanted to present you each with this 100-year calendar,
2 and we spared no expense. It has a little tripod so you can
3 set it up like that, but you can literally measure time
4 looking out into a hundred years. So we have a calendar for
5 each one of you.

6 MR. HOUGHTON: Well, thank you. Thank you. Thank
7 you.

8 MR. UNDERWOOD: Question: A hundred-year
9 calendar?

10 MR. STALLINGS: Yeah.

11 MR. UNDERWOOD: You have a lot of faith in my
12 wife's cooking.

13 (Laughter)

14 MR. HOUGHTON: All right. Fred, you have the most
15 privileged motion.

16 MR. UNDERWOOD: All right. So moved.

17 MR. HOUGHTON: Is there a second to adjourn?

18 MR. AUSTIN: Second.

19 MR. HOUGHTON: All in favor?

20 (Chorus of "Ayes")

21 All right. Onward. Thank you.

22 (Proceedings concluded at 11:11 a.m.)

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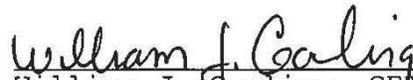
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C E R T I F I C A T E

I, WILLIAM J. GARLING, CET, certified electronic transcriber, do hereby certify that the foregoing pages 1 through 149 constitute a full, true, and accurate transcript from electronic recording of the proceedings had in the foregoing matter.

DATED this 10th day of March, 2015.


William J. Garling, CET
Certified Electronic Transcriber
CET**D-543