

1 TEXAS DEPARTMENT OF TRANSPORTATION
2 TRANSPORTATION COMMISSION WORKSHOP MEETING

3
4
5
6
7
8
9 Ric Williamson Hearing Room
10 Dewitt Greer Building
11 125 East 11th Street
Austin, Texas

12 Wednesday
13 April 29, 2015
2:04 p.m.

14
15
16
17 COMMISSION MEMBERS:

18 Tryon D. Lewis, Chair
19 Jeff Austin, III
Jeff Moseley

20 Victor Vandergriff
21 J. Bruce Bugg, Jr.

22 STAFF:

23 Lt. General Joe Weber, Executive Director
24 John Barton, Deputy Executive Director
Jeff Graham, General Counsel
25 Robin Carter, Commission Chief Clerk

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

TABLE OF CONTENTS

Convene Meeting	Page 03
Safety Briefing	Page 05
Discussion Items	
2(a) Presentation from State Demographer on State population growth and related discussion on transportation considerations	Page 09
2(b) Report on Key Performance Measures (Presentation)	Page 60
Executive Session Pursuant to Government Code, Chapter 551, Section 551.071	Page 83
Open Comment Period	Page 83
Adjourn	Page 85

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

P R O C E E D I N G

MR. LEWIS: If I could have everyone's attention, please. We're ready to start.

It is 2:04 p.m. I'm going for call to order the April 29th, 2015, meeting of the Texas Transportation Commission, here in the Greer Building in Austin, Texas.

I'll note for the record that public notice of this meeting containing all items on the agenda was filed with the Secretary of State's Office at 2:44 p.m. on April 21st, 2015, which is seven days prior to the meeting, which meets and is in accordance with Government Code Section 551.044.

At this time, I'd like to ask that before we begin today's meeting, that we place all cell phones and other communication devices in the silent or off mode. I'm checking mine; it is on silent, so if everybody else will do the same thing.

I would mention this, if you wish to address the Commission during today's meeting, you first need to complete a speaker's card, which is available at the registration table. To make a comment or register your opinion on an agenda item, it will be yellow card, and it's easy to fill out. And if you wish to make an address on that, please do that. You'll need to identify the agenda item for the record. If you're going to address the

1 Commission, therefore, coming to the podium, this podium
2 over here to speak, I'll need you to state your name and the
3 organization you represent, if you're here representing an
4 organization. If you're here just representing yourself,
5 you want to make comments in your individual capacity,
6 that's fine, just let us know that. If you represent an
7 organization and other folks, you'll need to let us know
8 that, as well.

9 If it's not an agenda item, we actually do have a
10 period of time after we've taken up the agenda items called
11 the "open comment period," and if you wish to visit with us,
12 with regard to any -- make a statement, I should say, with
13 regard to any subject, then that would be the time for you
14 to do that, and I will ask if there are any open comment
15 questions at that time. Now, for those comments, you'll
16 have a blue card and you should fill out the blue card.

17 Again, when you come up to the podium to speak,
18 you'll be stating your name. If you're speaking on behalf
19 of an organization, you'll let us know the name of the
20 organization; otherwise, that you're here on your own
21 behalf. Regardless of whether it's open comment period or
22 earlier, we're going to ask you to limit your remarks to
23 three minutes. We're scheduled here for -- we have three
24 hours, I think shown on the agenda. We're going to try to
25 conclude in two hours, and so for everyone, I'd ask you to

1 please bear that in mind.

2 Before we begin, I'm going to turn the program
3 over or the microphone over to Executive Director General
4 Joe Weber. General, you may proceed.

5 GENERAL WEBER: Thank you, Chairman.

6 At this time, I'd like to ask our deputy executive
7 director, John Barton, to provide us our safety brief.

8 MR. BARTON: Thank you, General Weber and Chairman
9 Lewis, Members of the Commission. I appreciate you
10 continuing to show leadership to all of us in the area of
11 most concern, which is the safety of ourselves and those we
12 have the honor and privilege of serving, as citizens of the
13 great state of Texas, by beginning your meetings with a
14 safety brief.

15 I think that today our weather-related conditions
16 should be good. It's kind of cool outside, but should we
17 have any weather-related emergency, I would encourage all of
18 us to exit this room with the two exits shown on the wall
19 behind the wall opposite me, and we will then move into the
20 stairwells and down into the basement of the building.
21 There are stairwells on either side of the elevator shaft.

22 If you have a medical emergency, I would encourage
23 you to, if you're able to, seek the assistance of our guard
24 at the front of the building where you came into the
25 building this afternoon and they will be able to assist you

1 with any non-life threatening and non-serious safety --
2 excuse me -- medical-related issues. If you need the
3 assistance of medical professionals, they will be able to
4 get in touch with someone for you to provide those services.

5 And as this month is important in many ways, I
6 wanted to point out two events that are currently underway
7 in terms of safety for our agency and for us as citizens of
8 Texas this week. One is to remind us all that as springtime
9 is upon us and summer will soon be here, more and more of
10 our citizens will be turning to walking, biking or riding
11 motorcycles. And as operators of automobiles, it's
12 important for us to remain focused on sharing the road in a
13 Texas-friendly way, and to look out for those other modes of
14 transportation that are using our roadway network. And then
15 I would also like to share with you that we are about to
16 begin our "click it or ticket" season where we have
17 increased enforcement for seat belt use, here, in the state
18 of Texas. And while 90 percent of Texans continue to use
19 their seat belts, which is a tremendous accomplishment we're
20 all proud of, the ten percent that do not are people that we
21 need to encourage to do so. And it's shocking to understand
22 that over half those people who have lost their lives due to
23 automobile-related crashes resulting from an in-vehicle
24 injury, were people who were not wearing their seat belts.
25 And so I would encourage all of us to continue to do that

1 and to encourage those who are in the vehicles with us to do
2 so as well.

3 So, General Weber, that's the safety briefing for
4 this afternoon; I appreciate the opportunity to provide it.

5 GENERAL WEBER: Thank you, Mr. Barton.

6 And with that safety briefing complete, Chairman,
7 I yield back to you.

8 MR. LEWIS: Thank you very much, General, and,
9 John, thank you very much for that excellent briefing; we
10 appreciate it.

11 At this time, we're ready to begin the agenda, and
12 really the purpose -- I want to thank everybody for being
13 here. You're very good to be here, very good to take your
14 time and give us your attention on these important matters.

15 It is, I think, the view of all of us, here, on
16 this commission, that as we go forward, what we want to do
17 is to take the issues that are before us and to craft good
18 policy, and we want to do that by being -- have policies
19 that give predictability to what we're doing and
20 transparency so that everybody can feel good about the fact
21 that everyone's getting fair treatment. So that's one thing
22 we want to do.

23 And then the other thing we want to do is that we
24 want to look at the long-term. We don't want to just look
25 at what's short-term; we want to look at long-term and how

1 these good policies we're going to craft will be developed
2 by the staff and then be implemented in the long-term to
3 reach the long-term needs of Texas.

4 So that's what we're really doing here today and
5 we have two agenda items for that purpose. The first we're
6 going to address is with regard to the state demographer;
7 issues, with regard to our population growth so we can see
8 where Texas is going; and then the second thing we're going
9 to do is we're going to look at key performance measures and
10 what performance measures we have now and what might be
11 suggested in the future.

12 So to begin that, it's going to be our intent to
13 move along. As I've mentioned, we have three hours of time
14 allotted; we're going to try to move everything to two
15 hours. So if all of you would please bear that in mind as
16 you're giving your talks.

17 We'll dispense with the opening remarks of the
18 commissioners, if that's all right with all the
19 commissioners?

20 MR. AUSTIN: Mr. Chairman, I would like to share
21 one item.

22 MR. LEWIS: Okay.

23 MR. AUSTIN: Last week, Commissioner Moseley and I
24 were up in D.C. and just to show the impact of this, while
25 much of our intention goes across the street to the State

1 Legislature, our federal partners, our federal office,
2 elected officers and their staff read what's going on. A
3 couple of them did ask, well, tell us about your agenda
4 item, why the state demographer is coming, and why are ya'll
5 talking about this.

6 And to your point, one, I'm glad to see that
7 they're reading it. I'm glad to see that they're
8 participating. I know that many of them in D.C. are
9 probably watching right now -- which we appreciate your
10 participation -- but this does have an impact on which
11 projects we select. It's good to look back, but we need to
12 look forward to know where we're going, and I just wanted to
13 share that it goes beyond across the street.

14 MR. LEWIS: Thank you very much, Commissioner
15 Austin, and thank you for those remarks and thank you and
16 Commissioner Moseley for representing us so well in
17 Washington.

18 At this time, I'm going to ask the General to
19 proceed with the agenda items.

20 GENERAL WEBER: Thank you, Chairman.

21 And we'll begin with Item 2(a), and this is a
22 presentation and discussion concerning our state population
23 growth and transportation considerations. Our deputy
24 executive director, John Barton, will introduce this item
25 and your speaker.

1 John?

2 MR. BARTON: Thank you, General Weber.

3 Again, for the record, my name is John Barton and
4 I have the high honor of serving you and the citizens of
5 Texas as the deputy executive director, here, at the Texas
6 Department of Transportation.

7 Chairman Lewis, we'll be done in two hours; I
8 promise you that.

9 We are very, very fortunate to have with us today,
10 Dr. Lila Valencia with the Office of the State Demographer.
11 She is here to share information about the state of Texas
12 demographer's office forecast and review of historic,
13 demographic and population trends, here, in the state of
14 Texas. Many of us have heard Dr. Valencia and Dr. Potter
15 speak on these issues in a variety of settings over the last
16 several months, and the Commission understands how
17 critically important it is for this agency and the
18 leadership of this commission to understand these challenges
19 and to develop means, methods and practices to prepare for
20 and respond to these growing changes in the state's
21 population and demographic behavior. So with no further
22 presentation on that, I would turn the podium, if you will,
23 over to Dr. Valencia.

24 And I'll remind everyone, as you are engaging in
25 this conversation, we do need to activate your mics by

1 pushing the button at the base of the mic in front of you.
2 When you do so, a green light will appear at the bottom of
3 the microphone, and I'll try to remind everybody to do that
4 as we go through this.

5 So, Dr. Valencia, again, thank you for being here
6 today.

7 MS. VALENCIA: Thank you. Thank you for having
8 me. Thank you, Commissioner, and thank you, Chairman.
9 Thank you for inviting our Office to speak with you today.
10 I know that we sometimes feel like this is information that
11 we have been hearing over and over and over again, and so I
12 really -- I promise you that I'm going to make this brief,
13 and I really do think that this is information that will
14 provide a good demographic-knowledge base as you progress
15 through your important work and your decision-making. I'll
16 briefly share some demographic trends and characteristics
17 for the state of Texas and what they mean in terms of
18 potential implications and considerations for transportation
19 planning. I'll wrap up the presentation with some of our
20 population projections.

21 So, as we go through this presentation, you can
22 expect to find evidence of population growth, but growth
23 that is not uniformly, geographically distributed. How this
24 growth occurs also has impacts, differential impacts on our
25 transportation infrastructure. The demographic changes we

1 see in our horizon indicate infrastructure challenges with
2 serious implications for our state's economy.

3 One of the main demographic trends that we
4 describe in presentations like these relates to Texas'
5 growth. As most of us have already heard, Texas is growing
6 and it's growing at a remarkable rate, given its size.
7 Between 2000 and 2010, we added over four million people,
8 granting us an additional congressional seat. In just four
9 short years, we have already added nearly two million more.
10 Current estimates place us at nearly 27 million.

11 Population growth in Texas has been geographic --
12 geometric in nature, or compounded growth. Over the past
13 six decades, there have been three, twenty-year periods
14 where the numeric growth has outnumbered the growth of the
15 previous 20 years. We see no indication that the population
16 growth in Texas will slow in coming years.

17 Texas has been growing steadily, but not uniformly
18 across the state. When we look at the geographic
19 distribution of the population over time, we see continually
20 increasing population in counties along the I-35 corridor,
21 the Houston area, and the Lower Rio Grande Valley. If you
22 were to draw a line down I-35 from Dallas-Fort Worth down to
23 Austin to San Antonio and all the way south to Laredo, and
24 add up all the population along I-35 and to the east, you
25 would get approximately 86 percent of the total state

1 population. This area encompasses the major metropolitan
2 areas in the state and it forms what we call the "population
3 triangle," with the Dallas-Fort Worth region at the peak,
4 Austin and San Antonio at the bottom corner, and the other
5 corner with Houston. As the state demographer likes to joke
6 often, for those of you good at math, you've already figured
7 out that that leaves about 14 percent of the state
8 population living west of I-35. Now, this isn't to say that
9 there's no growth west of I-35. Urbanized areas out West
10 have experienced limited growth, but some areas have also
11 experienced population decline.

12 Texas has been leading the way in terms of
13 population growth across the country. Between 2013 and
14 2014, more than 25 percent of the top 40 US counties leading
15 in numeric growth were found in Texas, with Harris County
16 leading the pack and adding more people than any other
17 county in the country; Harris County is now estimated at
18 nearly 4.5 million. The remaining counties in the top 40
19 are the larger county in the population triangle, plus the
20 recent addition of Hidalgo County, down in the Rio Grande
21 Valley.

22 You'll recall that Texas, from the previous
23 slides -- or from this slide, actually -- actually, from the
24 previous slide, excuse me -- Texas has been growing at about
25 two percent each year. Many of the counties on this list

1 are growing much faster than that. Since the last census,
2 population change has been greatest in the urban and
3 suburban counties in the population triangle. Counties in
4 the Lower Rio Grande Valley also had significant growth, as
5 well as El Paso County. Overall, 152 counties gained
6 population, while 102, or 40 percent of our counties, lost
7 population since 2010.

8 Percent change, which you can see on the yellow
9 and brown map, is an indicator of the speed of the
10 population change, void of any information on the volume of
11 population change. Percent change since the last census has
12 been the greatest in the urban and the suburban counties
13 located within the population triangle; notably, counties in
14 the Cline Shale area and the Midland-Odessa area and some in
15 the Eagle Ford Shale area southeast of San Antonio, have
16 also been growing rapidly.

17 Population growth in our state has coincided with
18 robust economic activity. Texas has outperformed other
19 states in job creation for well over a decade, especially
20 following the Great Recession. Over the last decade, Texas
21 created almost 30 percent of all jobs nationwide.

22 The effects of this economic environment can be
23 seen in the shift in the way our population is growing.
24 Population increases from two factors: natural increase, or
25 births minus deaths; and net migration, those who move in,

1 minus those who move out. When we look at population change
2 in Texas from 1950 to the present, we can see that before
3 1970, most of the growth was due to natural increase.
4 Starting in the '70s, a larger percentage of our growth can
5 be contributed to net migration. The 1980s depict a good
6 indication or a good example of how the impact the economy
7 can have on how our population grows, at least via
8 migration. This decade is characterized by the oil bust, as
9 well as a drop in the proportion of our growth that can be
10 attributed to migration. In the last couple decades, we
11 have grown pretty evenly from natural increase and net
12 migration.

13 The type of growth that we experience has varying
14 implications for our state and demands for services. For
15 instance, growth, via net migrations involves migrants who
16 are usually adults of working age. They're migration to
17 Texas directly translates into additional cars on the roads
18 or increased demands for other modes of transportation, new
19 jobs being filled or businesses being created, as well as
20 demands for new housing or revitalization of existing
21 housing stock.

22 On the other hand, growth via natural increase
23 does not result in immediate demands for services, for it
24 will be at least five years before these brand new little
25 native Texans start school, and it will be at least another

1 ten before they start adding a car to the road or demanding
2 other modes of transportation.

3 So the effect of the population growth from
4 natural increase on infrastructure demands is both
5 lightening from people dying, as well as delayed, until
6 babies reach the age where they are having infrastructure
7 requirements.

8 The estimated number of net migrants between 2013
9 and 2014 was, again, greatest in the points of the
10 population triangle and surrounding suburban ring counties.
11 Population change in suburban counties with high migration
12 is largely driven by migration. Population in urban
13 counties is more often driven by natural increase, rather
14 than migration; however, the migration in these types of
15 counties, in the urban core counties, is more often driven
16 by international in-migration.

17 As more and more people move into our counties and
18 communities, there are more and more persons per square
19 mile. The sequence of images here demonstrates that
20 increased population density in the areas between and around
21 San Antonio and Austin. This increasing density is
22 happening in other urban areas across our state as well, and
23 it puts stress on the transportation infrastructure from
24 this increased density. This creates challenges for our
25 commuting residents and businesses providing services and

1 moving goods.

2 Recently, the growth of the oil extraction
3 industry has fueled substantial job growth in the state and
4 has resulted in more vehicles grinding away at our
5 transportation infrastructure in places where roadways were
6 not developed to handle the kind of truck and passenger
7 vehicle miles that we have been experiencing.

8 One indicator of quality of life is how much time
9 we spend commuting. When we look at the percent of workers
10 who spend more than 25 minutes commuting, you see how
11 increasing population resulting in density, and perhaps
12 lagging in infrastructure, has resulted in increasing
13 commuting times for suburban residents in the more densely
14 populated areas of the state. Commuting is also a factor
15 businesses considering moving operations may consider.

16 However, not everyone is driving to work each day,
17 and we see that the mode of transportation to work is
18 associated with socioeconomic factors. Overall, the main
19 mode of transportation to work in Texas remains driving
20 alone by car; however, this is less the case for those with
21 incomes under \$25,000 a year. Those with lower incomes are
22 more likely to carpool and/or use public transportation
23 modes.

24 Another trend we are seeing is that individuals
25 with higher incomes have higher proportions who are working

1 from home, when compared to individuals with lower incomes,
2 indicating that the better-off our labor force is, the more
3 likely they'll look to varying trends or varying options for
4 transportation.

5 Now, for our population projections, the projected
6 population is produced using three different migration
7 scenarios. Under the first assumption, which is the dark
8 blue line at the very top, we assume that Texas migration
9 will continue as it was during 2000 and 2010 -- how
10 migration was between 2000 and 2010. The middle line is
11 sort of an arithmetic mean between that trend and an
12 unrealistic scenario, where no people were to ever move into
13 Texas or move out. That's the bottom line, which is our
14 natural increase line or zero migration trend.

15 Under the first assumption, which is our most
16 aggressive or less-modest assumption, Texas will add another
17 five million persons this decade, another seven million
18 following, eight or nine between 2030 and 2040, and almost
19 ten million between 2040 and 2050.

20 Our projections indicate a continuation of the
21 urban-suburban growth trend that we have been seeing for the
22 last few decades. Between 2020 and 2030, we project modest
23 growth in select counties in West Texas and increased
24 population concentrations in urban-suburban counties such as
25 Denton and El Paso and parts of the Rio Grande Valley.

1 Between 2030 and 2040, we project a similar trend
2 with increased growth in counties, Williamson and Montgomery
3 Counties, in particular. These trends are also projected to
4 continue into 2050, along with modest growth in certain
5 parts of East Texas.

6 Our projected population growth suggests increased
7 numbers and density in the points of the population
8 triangle, the Lower Rio Grande Valley, with continued growth
9 in El Paso and urbanized areas in West Texas. Many rural
10 counties will continue to lose population. The speed of
11 growth is projected to be the greatest in the counties
12 surrounding the urban core counties of the points of the
13 population triangle, and that concludes my presentation to
14 you.

15 MR. BARTON: Dr. Valencia, thank you for sharing
16 that information with us, and I believe it's insightful and
17 certainly enlightening to understand how Texas has been
18 leading the nation in growth and also in job creation. As
19 that has occurred the, I guess, movement into the I-35
20 corridor and our metropolitan centers of Dallas-Fort Worth,
21 Greater Houston, Central Texas, and Lower Rio Grande Valley
22 have created the challenges we face today and may lay the
23 forecast for what we need to be prepared to respond to in
24 the future, in that the (indiscernible) of these urbanized
25 areas are creating even more unique challenges in respect to

1 congestion and how we serve those multiple needs for
2 transportation.

3 And then, finally, with the prospects of
4 realistically seeing over 40 million Texans in the year 2050
5 and possibly as many as 54 million, we have a lot of work to
6 do now to prepare for that future. So we're fortunate to
7 have with us today, Commissioners and Chairman, several
8 representatives of the transportation industry professionals
9 that are highly regarded and very informed on how the
10 industry has responded to these growing challenges and
11 perhaps how we should think about moving forward into the
12 future to help you as you discuss these issues today.

13 One of those is Dr. Mike Walton from the
14 University of Texas, a well-known and highly regarded
15 professional in the industry, not only here in Texas, but I
16 would dare say around the globe. And we're fortunate that
17 Dr. Walton has given us his time today to kind of tee up
18 this conversation and help facilitate the discussion that
19 you might have with these other professionals. So at this
20 time, I would like to turn over the presentation to
21 Dr. Walton and allow him to help us with the rest of this
22 conversation.

23 MR. MOSELEY: Before Dr. Walton begins, would it
24 be okay to ask Dr. Valencia a few questions about her
25 report? Would that be okay, Chairman?

1 MR. LEWIS: Yes, you can ask questions.

2 MR. MOSELEY: Thank you, Dr. Valencia, for the
3 report. It's rather breathtaking, really, to see the
4 numbers, and I'm fascinated in some of the projections that
5 you're showing. I'm kind of curious, do you have, on the
6 in-migration, have you identified where people are moving
7 from to come to find Texas as their home? I think I saw
8 some numbers that we're starting to experience a lot of
9 Californians coming to Texas. But do you have that kind of
10 information to show us where people are in-migrating from to
11 call Texas home?

12 MS. VALENCIA: I don't happen to have that
13 information with me at this moment, but you're absolutely
14 right, California has definitely been exporting people all
15 throughout the country, but they are particularly losing
16 people to the state of Texas. Other states that we see that
17 send people to Texas include neighboring states like
18 Oklahoma and Louisiana and Arizona; those are typically the
19 flows that we have been seeing.

20 There are some indications that people from
21 differing states move to different areas, but I don't have
22 that detail here, but that is definitely something that we
23 could provide to you.

24 MR. MOSELEY: I'd be interested in that.

25 I think California's population is fifty -- is it

1 57 -- is it that high -- 57 million, and then I think I saw
2 that 37 million of the state's population is within the
3 severe drought zone, so this is areas where people are
4 encouraged not to flush their toilet. This is pretty severe
5 climate impact on 37 million people.

6 So my guess is, Chairman, there'll be a lot of
7 businesses that are dependent upon water and they're turning
8 on the TV and seeing water and rain in Texas and they're
9 probably thinking maybe they could do better by relocating.
10 So I'm just fascinated in that group of population that's so
11 impacted by drought and particularly those businesses that
12 are water-dependent, on how they might be choosing to vote
13 with their feet and call Texas home.

14 MS. VALENCIA: Definitely. We would be happy to
15 share that information with you.

16 MR. MOSELEY: Thank you, Dr. Valencia.

17 And one other point, Chairman and Members, we know
18 that data is so fascinating. It gets little bit confusing
19 sometimes when we think that a state is a state is a state.
20 Of course, we, Texans know that there are states and then
21 there are states, but, likewise, on the demographic
22 information related total counties, Dallas and Tarrant,
23 Denton and Collin, those are relatively new counties that
24 were carved out of a big ancient county and they're about
25 900 square miles in size. Harris County, being an older

1 county, is almost double the size.

2 So this data, if you really look at Dallas and
3 Tarrant's population, it's almost identical to Harris
4 County's population, so it shows North Central Texas is
5 really on the same identical demographic trend of growth.
6 And it's a little bit misleading to just show county,
7 because it makes it look like Harris County is way out
8 there in front, but the mass of Harris County is almost
9 double that of Dallas and Tarrant, but if you put Dallas and
10 Tarrant together, they're really tracking the same type of
11 demographic growth that Harris County is. Thank you.

12 MR. LEWIS: Commissioner Austin, do you have some
13 questions?

14 MR. AUSTIN: Just one comment. And I know
15 Commissioner Moseley and I, again, going back to our D.C.
16 trip last week, we were asked by a lot of our congressional
17 delegation, what is the purpose and the need for Interstate
18 69. And I think one comment is, as we look back on slide 3,
19 it shows the annual percentage change from 2000 to 2010 in
20 Texas was 2.1 percent. Well, where Interstate 69, the route
21 that we're taking right now with Interstate 69, between 2000
22 and 2010, the population changed 23 percent. So if you look
23 along just that route of bringing interstate -- of moving
24 freight, with goods, connecting all of our ports, that's
25 where a lot of traffic is going. It signifies and shows

1 it's only going to compound and become greater.

2 MR. LEWIS: Commissioners, any other questions of
3 Dr. Valencia?

4 Dr. Valencia, I have a question. Do we have any
5 figures for -- and speaking of sort of the North Texas area,
6 Dallas-Fort Worth-adjacent counties, or Harris County and
7 adjacent counties -- do we have any numbers for what those
8 areas, those particular two areas might look like in 2050 on
9 your general population of those regions?

10 MS. VALENCIA: We do have the detail of that
11 information. We produce all of our population projections
12 by county, so that is definitely something that we could get
13 to you for each decade. Are you particularly interested in
14 the counties making up the Dallas-Fort Worth Metro area and
15 then the Houston Metro area?

16 MR. LEWIS: Well, those with just two. I was
17 going to see if we had those numbers, and then, of course,
18 one thing we're always worried about here -- the reason
19 we're here is transportation, and as regions get greater and
20 greater population and population density in certain areas,
21 then that changes the dynamic about what we have to think
22 about, about transportation. And there's just so much
23 pavement that we can have, even with the kind of great
24 genius and abilities of all our people in those MPOs and in
25 TxDOT, with regard to crafting ways to get more and more

1 cars on the road.

2 But when you get to certain population density, we
3 have to think about what transportation will look like and
4 what must it look like. And so if you wouldn't mind -- if
5 you don't have that available, if you wouldn't mind letting
6 us kind of know about, in those -- not only those regions,
7 but perhaps the sort of general Travis County to Bexar
8 County corridor, as well, and however that would be crafted.
9 What would it be looking like, because they're broad
10 regions, but even still, the population density will almost
11 have to go up if we're going to have that many people? So
12 if you would get that to us, I would appreciate it.

13 MS. VALENCIA: Absolutely.

14 MR. AUSTIN: Mr. Chairman?

15 MR. LEWIS: Yes, Commissioner Austin.

16 MR. AUSTIN: This last year -- and, John, help me
17 with this -- I believe we voted to allow the expansion of
18 two or three MPOs, I believe one, the San Antonio -- the
19 Alamo MPO expanded volume; Hays County, one other one; I
20 believe, I think there was one other one that we allowed.
21 What I'm leading is looking at this map in 2050 with the
22 population exploding, the decision in making and governing
23 bodies who are impacting transportation, the Michael Morris'
24 regions, for example, are going to completely change in
25 dynamics, makeup, et cetera. Is that a --

1 MR. BARTON: That is correct. In fact, there's
2 forecasts that in the next centennial census, that we will
3 have additional changes to MPO boundaries, as well as
4 classifications of some of the MPOs, and perhaps new ones
5 coming on board; for instance, the Lufkin-Nacogdoches area
6 probably will be large enough that they could then be
7 classified as a Metropolitan Planning Organization.

8 So you're right; we've had several, based on the
9 2010 Census, and the next -- I said centennial -- the next
10 census in 2020 will likely result in additional changes, as
11 well as addition of Metropolitan Planning Organizations.

12 MR. AUSTIN: That's going to end up additional
13 pressure on the MPOs for planning while -- I'm going to use
14 the region planning in Dallas where ya'll have six
15 counties -- four counties, primarily, with some others in
16 that, say 12, and that's probably going to put more pressure
17 on those in allocating funding for equality, et cetera, so
18 ya'll get to do what we do up here.

19 MR. MOSELEY: Chairman, I was just going to say,
20 just thinking out loud about the demographics, Houston
21 region is most often compared to Los Angeles, as a US city,
22 but Dallas-Fort Worth is also like another Los Angeles. And
23 so just looking at these very robust, dynamic regions, plus
24 the discussion about I-35 corridor with San Antonio, Austin
25 and Laredo, it really is a good thing that we're talking

1 today about how to serve the demands of having two Los
2 Angeleses in our state, plus the dynamic, robust corridor of
3 I-35, and then the rest of the state.

4 So, thank you for helping us get a kind of a
5 glimpse into the future; it's kind of breathtaking.

6 MR. LEWIS: It is. Thank you, Commissioner
7 Moseley.

8 And now, John, we'll get back to you to proceed.

9 MR. WALTON: Mr. Chairman, thank you very much,
10 Members of the Commission, General Weber.

11 My name is Michael Walton, for the record, and I
12 apologize, I think I just got back from Beijing on Sunday.
13 Talk about a population, 30 million people living in one
14 location. Air was not necessarily the best, and I think I
15 am still suffering a little bit from that, so I apologize
16 for that.

17 We have several people who would like to speak to
18 the implications of the changes in population, and as you
19 well know, we use population forecasts in so much of the
20 work that we all do; in fact, the MPOs have routinely have
21 to look at the trends and projections so they can stay on
22 top of it.

23 Clearly, when we did the 2030 study and 2035 that
24 some of you may recall, we had to use population projections
25 to look at what our resources needs were for the future,

1 financial resources, just to perpetuate what we have, much
2 less, meet the needs of the future. So with that, what we
3 would like to do is have representatives from the MPOs,
4 representatives from both the TTI and CTR, Center for
5 Transportation Research, and Judge Terry Simpson to also
6 speak about the non-metropolitan areas, which are important
7 to us, because what we are seeing in the demographic
8 information is the redistribution of population, not just in
9 the growth in the urban areas, but also growth and pressure
10 in other areas, as well.

11 So, with that we'd like to talk about -- give you
12 some idea about the implications. We have challenged the
13 group to stay within two minutes, and we'll see how that
14 works out.

15 (Laughter)

16 MR. WALTON: You know, to get an academic to stay
17 within 15 minutes is often a challenge. So we'll begin with
18 Ashby Johnson of CAMPO, director.

19 MR. JOHNSON: Thank you, Dr. Walton. Thank you,
20 Chairman and Members of the Commission, General Weber.

21 For the record, my name is Ashby Johnson; I am the
22 executive director of the Texas Association of MPOs, and I
23 am also the newly, somewhat newly minted executive director
24 of the Metropolitan Planning Organization, here in Austin.
25 I am not responsible for the traffic that you've been

1 experiencing on 35; that was before me.

2 (Laughter)

3 MR. JOHNSON: Just a few things I want to leave
4 with you, and before I proceed on, we have, prepared, the
5 MPOs here with me this afternoon, Mr. Michael Morris from
6 Dallas-Fort Worth area; Alan Clark from the
7 Houston-Galveston area; and then Brad McCaleb from the Bryan
8 College Station MPO, as well. We've put together a little
9 leave-behind for you that we'll be happy to answer questions
10 on later, if you so choose.

11 For those of you that are not familiar with
12 Metropolitan Planning Organizations, we exist in every part
13 of the country that has a population over 50,000 and meets a
14 certain density criteria, as decided by the census and also
15 by the governor of each state. Metropolitan Planning
16 Organizations are made up of local elected officials -- and
17 I might also add every MPO, all 25 MPOs in the state also
18 have a TxDOT district engineer that serves on the policy
19 board of that decision-making organization, so we are
20 intertwined with each other. We are working as partners in
21 these efforts.

22 As a short way of describing what an MPO does, we
23 are the link between the public, the elected officials
24 within a region, and the agency responsible for safety and
25 mobility, as it concerns transportation across the state.

1 But most importantly, I want to emphasize that we are
2 partners to TxDOT, and we are here to help work on
3 safety-mobility issues throughout the state and to continue
4 to move Texas forward.

5 Now, you've seen a presentation from Dr. Valencia
6 this afternoon that talks about the growth that we're
7 expecting to see in the meantime, and we, as MPOs, have
8 certainly been grappling with that growth for quite some
9 time now. If you look at Dallas-Fort Worth and Houston, in
10 particular, you will see that they have not just started
11 experiencing this; they've been having very steady growth,
12 about a million people per decade really since about the
13 1970s, 1980s.

14 Houston -- I'm sorry -- Austin and San Antonio are
15 sort of new players to this. We are experiencing very rapid
16 growth here. We are adding in the Austin region, about
17 3 percent a year and it's been accelerating. San Antonio is
18 about the same. There are other Metropolitan Planning
19 Organizations across the state where they're not
20 experiencing growth as fast as we are, so you will see
21 growth ranging from just barely above a positive to over 4
22 percent, depending on where you are.

23 Also, going back to the partnership portion of it,
24 there are several counties within the least -- the four
25 large metro areas of the state that have been using bond

1 funding to help the State as it comes to on-system mobility,
2 want to keep things moving. Williamson, Hays, Tarrant,
3 Dallas, Harris, Fort Bend, and Montgomery Counties, in
4 particular, have really stepped up. One of the things
5 that's also occurring is because growth is so rapid in our
6 regions across the state, we are having trouble keeping up
7 with the growth and trying to come up with solutions that
8 can be implemented quickly. If you look at the time it
9 takes to get through the planning and environmental
10 processes and then the project development, you could be
11 looking at, if you're lucky, ten years for a major project.
12 And by the time we do that, we get through the process and
13 we get the project on the ground, with the growth we're
14 having, it may be obsolete.

15 So, with that, I've been given the look.

16 (Laughter)

17 MR. JOHNSON: Mr. Chairman, I will stop and wait
18 for questions. Thank you very much.

19 MR. WALTON: Thank you, Ashby. I had Ashby in
20 class, too, so I remember ...

21 (Laughter)

22 MR. WALTON: He didn't think I would have any
23 influence over him, however.

24 Next is David Ellis. David and I have -- he's
25 with TTI -- and we've worked a lot together on a number of

1 projects including 2030, looking at economic development and
2 growth that associates with population growth and expansion.

3 MR. ELLIS: Thank you, Dr. Walton, and thanks to
4 the Commission for the invitation to be here today.

5 I just want to kind of spin off of a couple of
6 things that Dr. Valencia said. We talked about the
7 population, of course -- those population changes have
8 significant impact. And if you look at what's happened in
9 Texas from 1970 to 2010, just to take that 40-year time
10 frame, our population increased by about 125 percent during
11 that time frame, but the number of vehicles increased about
12 170 percent during that time frame. The number of miles
13 that are driven in Texas increased about 235 percent. At
14 the same time, the roadway capacity, the state roadway
15 capacity increased about 25 percent. Now, that number does
16 not include significant contributions that were made by toll
17 authorities, RMAs, local governments, et cetera, but even if
18 you were to count those in, you're still talking somewhere
19 less than 35 percent.

20 So as an economist, I'm looking at this as a
21 supply-demand issue; demand being the people in the vehicles
22 and the supply being the amount of roadway that's out there.
23 And you have that kind of imbalance for 40 years, you get
24 what you got. That's, in a very simple explanation, that's
25 where we are now.

1 The reason for that is we're a victim, in many
2 ways, as Dr. Valencia mentioned, of our own success. Back
3 during the Recession, it was -- you could get to work in
4 Detroit pretty quickly; there weren't a lot of people
5 working. But that success, and the growth that we're
6 expecting to continue into, while it's likely to be there,
7 given the migration rates, the prime mover of migration
8 rates is economics, and that's not a given. If these
9 problems aren't addressed, we face serious consequences.

10 And I'll close with this one quick thought, if you
11 look at why companies move to a different state, relocate,
12 open and expand headquarters, et cetera, it's primarily for
13 three things. Every study that's done shows these primary
14 things in one order or the other. One of them is a
15 competitive workforce; that's a function of the education
16 system. The other is a competitive tax system and that's a
17 function of State tax policy. And the third one is access
18 to markets; can they get goods into their business to
19 manufacture the things they manufacture, and once they do
20 that, can they get those products to market. And that's the
21 function of the adequacy of the transportation system, and
22 that's what makes the decisions that you make on behalf of
23 all Texans, as well as the policy decisions that are made
24 across the state, critical to the future of our Texas
25 economy.

1 MR. WALTON: Thank you, David.

2 Just to make a comment, some of you may recall
3 when we finished our 2030 Report, we had a comment by one of
4 the members of the committee who was with HEB, and he
5 reminded us that everyone coming into this state in growth
6 and population brings a mouth and a stomach, so the demand
7 for food and demand for other goods and services are quite
8 high.

9 So, next, I would like to call on Dr. Chandra
10 Bhat. Chandra is the director of CTR and he is -- among his
11 specialty areas, his changes in travel behavior that are
12 occurring and how to handle that and population change.

13 MR. BHAT: Thank you, Professor Walton.

14 At CTR, we have had the privilege of working with
15 TxDOT with TTI and other universities, MPOs, to improve and
16 address the transportation needs of the people of our great
17 state. So one of the things that has already come up is we
18 cannot build our way out of traffic congestion, as we have
19 been able to do for the past many, many years, just because
20 of the population explosion that Dr. Valencia talked about,
21 but also limited resources -- land -- actually, that's
22 financial.

23 And that leads us into what Mr. Ellis was also
24 alluding to, demand management. How do we reduce the demand
25 within the scope of the supply that we are able to offer

1 even as we try to make improvements in the supply? There
2 are many different possibilities that come to mind. One is
3 land-use management. One of the things that's happening
4 with our population increases is that the composition of the
5 population is also changing and that is also very relevant
6 to the discussion here. A simple example is more single
7 parents, more families with children and both adults in the
8 home working. What that does is that leads to the commute
9 being not simply a to-and-from from work, but also the stops
10 that are being made, to pick up the gallon of milk during
11 the evening commute, to pick up your child from day care.
12 And these kinds of things make it more difficult to wean
13 people away from driving alone, but that does not mean that
14 we should not be investing in other modes of transportation,
15 but the idea that perhaps if we have having a transit
16 system, we build convenience stores, we build day care
17 centers in and around the transit stops; that where land-use
18 planning comes together with transportation planning.

19 But it's, once again, not simply trying to reduce
20 the number of vehicles on the road, we can also try to
21 reduce the number of people moving. And Dr. Valencia talked
22 about a number of people working at home, but that's not a
23 carveout. Those people who have an employment outside the
24 home at a location and are working at home, that we estimate
25 to be about 3 percent or so. When you look at it, if every

1 individual, working individual in our state population works
2 once a month from home, that should imply about a 5 percent
3 percentage of people working from home. So we don't seem to
4 be even getting that. Of course, we are talking about
5 technology, and we believe that should be harnessed quite a
6 bit.

7 So my concluding statement would be that there's
8 no silver bullet. We have to work along many of these
9 different directions, but I think we have to work
10 proactively. We need to work quickly. We need to work
11 effectively. We need to work boldly, and, finally, I would
12 say that we need to work collaboratively. Thank you.

13 MR. WALTON: Thank you, Chandra.

14 Our next speaker is Judge Terry Simpson,
15 representing areas outside of the metropolitan areas, if
16 that's all right. We'll speak with you, sir.

17 And there are so much changes taking place, not
18 only in the major metropolitan areas, but the redistribution
19 affects the growth and needs of the rural areas.

20 MR. SIMPSON: I can address that area. I
21 currently chair the Corpus Christi MPO and also chair their
22 I-69 Committee some. I'm working quite a bit of real estate
23 there.

24 In San Patricio County, we are experiencing about
25 \$25 billion worth of new growth, and that's bringing in, in

1 the next four years or so, the probability of about another
2 9,000 new jobs overall in direct jobs and probably about
3 twice that many indirect jobs that will be created.

4 So we experienced the closure of the naval station
5 in Ingleside and we had a bunch of road projects to do there
6 and we shelved them; we didn't do them. Well, we're going
7 to need those road projects now because the naval base now
8 has been re-occupied by Occidental Chemical, and they're
9 going to build some big operations, shipping operations out
10 of there, so we're going to need the new roads. So we're in
11 the process now of trying to build another road.

12 We got fortunate -- Shiner Energy, which is coming
13 into the area -- has contributed about half of what we need
14 for that road that we've been waiting on, off and on, for
15 about ten years now, so we're going to get that built. And
16 we're getting ready to have to replace the Harbor Bridge.
17 They're looking at a county like mine, which is small, to
18 come up with \$12 million to participate in the building of a
19 new Harbor Bridge. Well, that's a pretty good chunk of my
20 budget when I start looking at coming up with that kind of
21 money. So we're have to get creative with that, so we'll
22 probably pass bond issues to fix that issue.

23 So, as far as transportation goes, I can give you
24 a whole gamut from bust to boom, back to boom again. So,
25 anyway, anything you have, any questions you have, I would

1 more than happy to try to fill in the blank spaces for you.

2 MR. WALTON: Thank you, Judge.

3 At this point, we'd like to open it up for general
4 discussion about other trends, other thoughts about the
5 implications of the changes that are taking place and have a
6 discussion from anyone at this point in time.

7 MR. AUSTIN: Before I came, knowing that we're
8 looking at population projections -- Commissioner Moseley
9 touched on this about the folks moving in from California --
10 I asked our district engineer in Tyler, what impact might it
11 force upon the Department, given a certain project. And now
12 let me start at the macro level.

13 We know we have a need for water in this state and
14 I know there's several reservoirs that are being considered
15 and planned within the state; they're at various levels. As
16 an agency, we need to be able to work with our
17 infrastructure partners, the ports and the Water Development
18 Board and other entities, that when those lakes are built,
19 what impact is it going to have? Do we have to relocate a
20 road, elevate a road, et cetera; for example, should Lake
21 Columbia ever be built, the impact of elevating US 79 within
22 the existing right of way is about 55 million in today's
23 dollars. That's one small piece, one small project.

24 So as we begin looking ahead, whether it's UTP
25 discussion -- traffic changes, as well. You know we haven't

1 even talked about the impact of the recreational industry --
2 industrial use of the water reservoirs and what might build
3 up around it; that's another impact that I would like to
4 just throw out for consideration, because that is going to
5 have an impact on us. Are we going to have to give in to
6 the potential restriction of the tools that the legislative
7 body is looking at forcing on us right now? That could
8 restrict us from being able to act accordingly to help move
9 these water projects that the state needs quickly.

10 MR. WALTON: Right. Very much so, in fact, other
11 states are, of course, dealing with the same problem. Just
12 as an aside, I remember when I first came to Texas, meeting
13 with General Rose, who, as some of you may recall, was head
14 of planning in the Governor's Office. And when I told him I
15 was a transportation person, he said, Well, you got to
16 remember in Texas -- and he showed me this big map on the
17 board, and I didn't see any highways or any roads or
18 anything, but I saw all these rivers and water channels --
19 transportation in East Texas and Texas is moving water from
20 where we got it to where we don't. So that issue has become
21 increasingly important.

22 Comments, anyone, on that particular point? But
23 that's an example of some of the pressures and changes that
24 have to be identified and dealt with.

25 MR. SIMPSON: Yeah, we're currently working on de-

1 sal and we're currently working on brackish water, which is
2 groundwater, so we've got a lot of projects that are coming
3 to the surface there, as to how are we going to afford it
4 and who's going to pay for it. But, yes, there is a -- but
5 we're fortunate, we do have a large amount of usable
6 groundwater and then, of course, the Gulf is right there
7 also, which is the next supply water.

8 MR. WALTON: I know Commissioner Moseley contacted
9 me once about the project there in Corpus and the bridge and
10 how they could capture runoff --

11 MR. SIMPSON: Right.

12 MR. WALTON: -- and treat that in one fashion.

13 MR. MOSELEY: Dr. Walton, thank you for bringing
14 such a distinguished panel to visit with us today.

15 As we look at, I think to Ashby's point, talking
16 about the economy and how the mobility system serves our
17 economy, we've got a one-and-a-half-trillion-dollar-gross
18 state product, and I know in the Houston area, about half a
19 trillion dollars out of that area and I'm sure that the
20 economic engine in Dallas-Fort Worth is probably about the
21 same.

22 And putting in the ports communities that Judge
23 Simpson described -- you know, back when I was associated
24 with economic development in the state, if we -- Chairman,
25 if we had a hundred-million-dollar announcement, we would

1 ring the bell and run around the building.

2 (Laughter)

3 MR. MOSELEY: And now, you know, Judge Simpson is
4 talking about multiples of billions of dollars coming in,
5 and I think I've seen a back-of-the-envelope projection from
6 Brownsville to Lake Charles, Louisiana, more than \$160
7 billion of construction of refineries. So the question
8 being, in addition to the demographic demands of population,
9 how shall the mobility systems serve the economy of the
10 state with the new demand on the ports communities with
11 refineries, with fracking, with population explosion, which
12 brings in rail, of course, in addition to the ports and the
13 highway system and the airports, it would be interesting to
14 maybe identify the economic engines throughout the state and
15 how the connectivity of those economic engines would serve
16 the tax base. So I think you guys are probably already
17 there, but it really would be wonderful if we could lay some
18 of this information down so we'd have the demographic
19 information and then we have the economic engines on top of
20 that to give us a sense of how to prioritize spending,
21 perhaps, in the future on mobility.

22 MR. WALTON: That's a good point.

23 David, do you have anything that you want to add
24 to it?

25 MR. ELLIS: Just a quick point. I want to comment

1 on a couple of things that -- or something that Dr. Bhat
2 said, and then also Commissioner Austin and Commissioner
3 Moseley. I think Chandra is very, very much correct when he
4 says there's no silver bullet. There's not; we're going to
5 have to use every tool in the toolbox to address this
6 problem.

7 And I think what that means is that we kind of, in
8 a way, need to rethink what infrastructure is and what
9 transportation is, because the system that we have now is
10 not infinitely scalable. Where would you put another six
11 lanes, eight lanes, ten lanes on I-35? That is not to
12 say -- and I want to say this very quickly -- that's not to
13 say that we don't need to add all the capacity that we can
14 possibly afford to add, because we do, but that's still not
15 going to be enough.

16 And the way that our next generation, if you will,
17 of people live, work, access information, is going to be our
18 greatest friend, I think. You know, this is an iPad, but
19 it's also a transportation mode. You can attend meetings
20 with this thing. You can do a lot of things that 20 years
21 ago would have required a trip to do. You can shop. You
22 can do all kinds of things. And there -- and we need to be
23 able to leverage every possible -- and in my view at any
24 rate -- every possible technology that we can to take the
25 weight off of our transportation system, the infrastructure

1 system, the traditional infrastructure, to the greatest
2 extent that we can, so that we can utilize it for things
3 that can't be transported any other way. And that's so much
4 of the freight that you're talking about, Commissioner
5 Moseley. And the only way that we can do that is kind of
6 re-envisioning, if you will, what infrastructure is, all the
7 different dimensions and all the ways that we use it.

8 MR. WALTON: Other comments? By the way, I
9 encourage you to make any comments that you'd like to make
10 as well, you just have to come up for the microphone.

11 MR. LEWIS: If a card had been filled out.

12 MR. WALTON: If a card has been filled out.

13 MR. LEWIS: Commissioner Vandergriff?

14 MR. VANDERGRIFF: Yeah, can I just ask a question:
15 I mean I don't mean to belabor this, but we're talking in
16 high-level, rethink, use every tool in the toolbox, all
17 that. I mean we know those kinds of things. What are some
18 specifics that you think -- and any of the panelists or
19 anybody else -- that you think are important?

20 When you look at this presentation, you know, at
21 Ashby, it refers to all sorts of things here. But what
22 specific -- and let me ask -- rephrase it one other way.
23 Right now, managed lanes have a dirty word connotation to
24 them in the Legislature right now, but the reality of that
25 is not so much a tool for tolling, which is what it's done

1 with, but a tool for managing the traffic; although I heard
2 a new way to put it yesterday at a groundbreaking I was at,
3 Mayor Ron Jensen from Grand Prairie talking about the tool
4 would hopefully move traffic in the Metroplex at 15 miles
5 per hour versus the 40.

6 (Laughter)

7 MR. VANDERGRIFF: But, you know, how do we -- this
8 is nice generalities, the conversation is generalities, but
9 how to you translate into specifics that the folks across
10 the street can understand, because they're feeling, and
11 understandably so, really good that they're going to get,
12 perhaps three to four billion dollars for transportation, at
13 the same time, cutting off all the tools that are necessary,
14 in order to leverage that, and also are concerned about
15 addressing some of the creative things that this Department
16 has tried to bring out and all of you guys. So how do we
17 bridge that gap? There's that gap, too. How do we get
18 across that? What are the specific things that you would
19 like to be able to tell people?

20 MR. WALTON: Go ahead.

21 MR. VANDERGRIFF: We've got a hand raised there
22 but --

23 MR. ELLIS: Real quick, and then --

24 MR. VANDERGRIFF: -- I can't call on anybody. The
25 Chair calls on people.

1 MR. LEWIS: Yeah, well, let's get this comment and
2 then I'll talk.

3 MR. ELLIS: No, just a couple -- I think a couple
4 of things. Number, one, we need to be smarter; for example,
5 things that don't cost a lot of money, but can have a huge
6 impact by getting incidents off of the road as quickly as
7 possible. Most -- so much of our congestion is built around
8 incidents that occur during the peak. That doesn't require
9 a lot of money and there's a pretty significant return for
10 things like that. That's what falls under the category of
11 being smarter, and where it's been tried tends to be very,
12 very successful.

13 Other things -- I'll give you an example on a
14 small scale. At Texas A&M, you know, the chancellor right
15 now is trying -- has been in meetings where he's raised the
16 question, how are we going to move 70,000 students around
17 this campus? Well, it doesn't mean that we've all got to
18 access education in this case the same way that we accessed
19 it 30 years ago, so that we can substitute trips using
20 technology. We're going to have to do that.

21 I think the other thing that's going to have to be
22 done is -- to go back to the "every tool in the toolbox"
23 phrase, Commissioner Vandergriff -- is there's not enough
24 state money from a cash point of view to build all the
25 supply that needs to be built. We're going to need those

1 financing tools --

2 MR. VANDERGRIFF: Or federal.

3 MR. ELLIS: -- or federal, exactly right,
4 financing tools to be able to leverage the tax money that's
5 available. And I don't think there's any way around that,
6 eventually.

7 MR. WALTON: Michael, while you're coming up, just
8 to mention one, in particular, technology; technology is not
9 just a panacea, it also creates new consequences, unintended
10 consequences and challenges. And it takes a long time to
11 get technology to the point where it becomes useful; for
12 example, TollTags, one of the early projects that I worked
13 on was the creation of a transponder. We take a transponder
14 today, for granted. It took us twenty-something years to
15 really get that to a point, and we still haven't fully
16 integrated the transponder. So it takes a while to get
17 that. We now understand that we have to have a universal
18 transponder; it's got to be able to speak all languages and
19 interpret, nationwide, not just in Texas.

20 So I think deploying technology, but looking at it
21 in a rational way. Start pilot programs where we
22 demonstrate the capability of the technology, all of that is
23 something that creates a challenge.

24 Michael?

25 MR. LEWIS: Thank you, Dr. Walton, but let me ask

1 this first.

2 Mr. Morris, did you fill out a card, a blue card?

3 MR. MORRIS: No, sir.

4 MR. LEWIS: We'll get one -- or a yellow card,

5 whichever one -- I guess it's the yellow, first.

6 Be sure to do this, if you would. Right now, if
7 you'll state your name and who you're here representing, and
8 then give us the benefit of your comments.

9 MR. MORRIS: Mr. Chairman, thank you very much.

10 Michael Morris, director of transportation at the
11 North Central Texas Council of Governments, the MPO for
12 Dallas-Fort Worth. Mr. Chairman, the population in
13 Dallas-Fort Worth is seven million persons today. Ashby is
14 correct; we've added a million people a decade since 1960,
15 and we are planning for 10.4 million persons in 2040 in our
16 next transportation planning, 10.4 million.

17 MR. LEWIS: Tell me again, the number.

18 MR. MORRIS: Seven million today and 10.4 million
19 in 2040. We agree with the state demographer, our rate of
20 growth is increasing and is very much integrated in the
21 vision that you see in Dallas-Fort Worth.

22 Commissioner Vandergriff, three specific items,
23 one, with regard to managed lanes, the Legislature is
24 focused on the financial element of managed lanes which is
25 the revenue source that helped build them. We haven't done

1 a good enough job focusing on the congestion management and
2 the guaranteed travel time on managed lanes; that's how they
3 were sold in our region. We said to our elected officials,
4 we will accept the toll as long as we have a guaranteed
5 speed on the managed lane and those facilities will have a
6 speed updated every six minutes to guarantee a
7 50-mile-an-hour speed on those managed lanes. That part
8 isn't being talked about as much. It's just the financial
9 tail; we're not talking about the transportation dog.

10 Secretary of transportation, the US secretary of
11 transportation was here on Friday at the University of
12 Texas. Dr. Walton is chair of your statewide technology
13 task force. I happen to be a member of it. I was invite to
14 meet with the secretary for two hours.

15 Managed lanes become the evolution of how
16 technology on the vehicle is going to be implemented over
17 time. Vehicles turn over at a rate of about five or six
18 percent a year, so as vehicles get more and more technology
19 and vehicles talk to each other, you're going to have to
20 have an infrastructure that permits the gains you're going
21 to see from that technology. That's five to seven percent
22 per year, you're going to need a managed lane system in
23 order to aggregate all the folks with technology to be able
24 to double or have a threefold increase in the capacity of
25 your freeway system.

1 So instead of 2,200 or 2,300 vehicles per lane per
2 hour, in our lifetimes, you will have enough vehicles to
3 potentially get 5,000 and 6,000 vehicles per lane per hour,
4 but you're not going to be able to do it everywhere because
5 not all the vehicles have turned over yet. So the notion of
6 vehicle turnover and the notion of what the state should be
7 building with regard to infrastructure in order to implement
8 that brings you back to the notion of a managed-lane system.

9 Managed lanes mean you manage your lane. Right
10 now it might be a toll component, but that doesn't mean you
11 can't manage it with technology or trucks being escorted in
12 a caravan through the night as technology advances.

13 Number two, and Mr. Chairman, you already talked
14 about this, as these demographics come in place, not only
15 are we not going to solve it in the same manner, we're not
16 always going to solve it on the back of the roadway system.
17 You can't pave this state in order to solve transportation.

18 So what citizens are clamoring for is a choice.
19 Sometimes it's a sidewalk. Sometimes it's a transit
20 vehicle. Sometimes it's a bicycle-pedestrian facility.
21 Sometimes, believe it or not, it's a rail system, and some
22 of the largest rail systems in the United States are being
23 built in Texas. Dallas DART has the largest Light Rail
24 system in the United States. Trains are full; you can't get
25 a seat on a lot of those trains in the morning. They're not

1 a solution for everywhere; not any of those modes are a
2 solution for everywhere. It's our job to help determine the
3 correct mode for the correct location, and I think optional
4 choice is one.

5 I leave you one of the newest ones. If you turn
6 to the presentation that -- four MPOs got together -- we
7 didn't know what the format was. We put together this
8 resource material. We didn't know where you were going to
9 go. But if you go to the third page in the end, I believe
10 we have to attack our transportation projects in a different
11 way.

12 Our region, for the first time, is going to take
13 call of the freeway systems and put them into two buckets,
14 the ones that are really old, bad infrastructure, bad
15 geometrics, need to be totally redone, we're going to put
16 those in a traditional bucket. The other bucket, those
17 whose pavements or capital assets are in good shape, they
18 just need improvements in some sort of management system,
19 this is a capital operations asset management system. Our
20 office -- and Bill Hale, when he was -- who's here -- was at
21 the Dallas District, we did our first project in our region
22 with this, it led to the Proposition 1 recommendation that
23 you approved on Interstate 35 from Waxahachie to the South;
24 it used this new approach. We're now using this approach as
25 the first pilot in the Fort Worth District on Interstate 30

1 from Downtown Fort Worth out West.

2 You look at the project completely different. You
3 don't assume you're going to blow up the whole project and
4 put in all new stuff. You go through the project and say,
5 what's in good shape; pavements are good, bridges are good,
6 this bridge isn't. And you use the management systems,
7 which by the way, your next item talks about performance
8 measures, you actually use the performance measures to drive
9 what elements of the transportation project do you need to
10 update, and that's an integrated team of TxDOT people and
11 MPO working with data and performance measures to have the
12 data tell you what you need to fix in a particular corridor.

13 I think those, Commissioner Vandergriff, are three
14 examples -- I think Allen could give you others -- where as
15 you take this information and move forward, there could be
16 action steps that could be followed up that specifically
17 deliver those items.

18 MR. WALTON: Thank you, Mike.

19 Mr. Chairman, I think we've reached the end of our
20 rope so --

21 MR. LEWIS: Okay.

22 MR. WALTON: -- I want to thank the panelists who
23 are participating today and thank you very much for the
24 opportunity and if there's anything else that we can do to
25 assist as you go forward, I know this is a topic that you'll

1 have other sessions on this in the future.

2 MR. LEWIS: Thank you, very much, Dr. Walton and
3 to all the Members of this excellent panel. I do want to
4 mention one other thing, if I might. Because we've
5 concentrated on those areas that are going to see the
6 highest growth for Texas, but we do have a state of great
7 natural resources, and those natural resources are spread
8 throughout Texas, often times in the least-densely populated
9 areas of Texas, but a lot of the growth in the major
10 metropolitan areas is because of those natural resources,
11 and so we have to have a transportation network that reaches
12 those and allows those, the agricultural product or energy
13 product to get to market and to be developed, and for the
14 people who work out in those areas, we're going to have that
15 dynamic.

16 The land mass of Texas is not going to shrink, and
17 so it's a big state and we're going to have to have a
18 transportation network that reaches all parts of that state.
19 And I think the other thing is, that if we have that many
20 more people in these major metropolitan areas, there can be
21 that many goods and services crossing Texas using these
22 Interstates, the I-20 and I-30, all the way across Texas,
23 and I-10, and in the North and South as well. So that's a
24 lot of work for us, because they're going to be used that
25 much more, and, obviously, coming from Mexico, I think we'll

1 all see a huge increase there.

2 So it's very helpful. I want to thank all of you
3 very much. Thanks for your work.

4 MR. MOSELEY: Mr. Chairman?

5 MR. LEWIS: And, yes, Commissioner Moseley and
6 then Commissioner Austin.

7 MR. MOSELEY: Before the panel leaves, I join the
8 Chair in saying thank you for your being here.

9 To Commissioner Vandergriff's question about some
10 specific thoughts -- may I just give a few points that maybe
11 the MPOs take back and chew on some of these ideas? But it
12 really does get into this whole thought of helping us manage
13 the capacity. I mean the value of a roadway system or a
14 rail system or a port is its capacity, and I think it's
15 almost un-Texan in a way -- we typically like to build a
16 roadway and let it manage itself -- and so it really makes
17 us kind of nervous. It's not politically correct, Chairman,
18 to get into this discussion, but it's probably time for us
19 to have a very honest discussion about the primary use of
20 that corridor, which is what we have been talking about.

21 And in Houston -- may I just say when you turn the
22 TV on and the strategic corridor has closed down, typically,
23 two things are involved, Chairman; typically, it's rush hour
24 and typically there's an overweight truck involved. Maybe
25 running an overweight truck through the center of downtown

1 at rush hour is not the highest and best use of that
2 corridor? Now, that's me -- that's just a question for all
3 of us.

4 Getting back to Commissioner Vandergriff's
5 question, I don't know that the shippers really like to do
6 that, and I know that the truck driver doesn't like doing
7 it, so maybe there's times that are optimal for those trucks
8 to go through those corridors. And so, it's just an
9 open-ended question for MPOs to take back and talk to local
10 community leaders.

11 Because as I understand it, Chairman, TxDOT
12 doesn't open or close a roadway. We build them and then
13 local governments are involved in managing the capacity on
14 those roadways. It also seems like, as we design roadways
15 going forward, we would almost always, on a strategic
16 corridor, have a movable barricade in the center. North
17 Central Texas has been the wonderful beta test on this.
18 Every day on outbound lanes, there's a machine that moves a
19 concrete barricade and it opens up capacity inbound and
20 outbound, and yet we still design highways, and we don't
21 embrace, what I think is a wonderful technology to maximize
22 capacity: Movable barricades.

23 It might be as simple, Chairman, as educating
24 drivers. Don't sit in a passing lane; yield that pass lane
25 to vehicles that are trying to get through. But, again,

1 this is getting into some politically incorrect area, but
2 don't be a road hog, share that passing lane that was
3 designed for more capacity. But people are shutting off our
4 corridors by just parking their cars in the passing lanes.

5 And we touched on that the SAFEClear Program in
6 Houston has been wonderful for assigning zones to tow trucks
7 to come in and clear. Perhaps that tool works in other
8 major metropolitan areas, but it's worked very well in our
9 community.

10 And then, Chairman, we control contracts. Maybe
11 we should, on certain types of maintenance, just insist that
12 they're only at nighttime when the workforce and the freight
13 is not trying to move up and down corridors, that we only
14 shut off capacity of a roadway and we only do maintenance in
15 an off-peak time.

16 Chairman, how about this one, we don't build
17 school zones on strategic corridors? I can show you some
18 beautiful highways, built at taxpayer expense, and then a
19 school zone is placed to choke the capacity of that roadway.

20 So that's -- again, it's maybe not politically
21 correct to talk about this, but as we're really seeing the
22 demographic demands for capacity on our roadways, is it
23 really the highest and best use to shut the capacity off by
24 putting -- even driving the other day, a school bus stopping
25 puts out its stop sign and we're supposed to stop for that

1 school bus, which shuts off the capacity of a strategic
2 corridor. So maybe we ought to work with the school
3 districts to talk about how to keep strategic corridors
4 open.

5 And then in closing, I think upgrading our rail
6 system will help us with capacity. We've inherited a World
7 War II rail grid. In Houston, we have about 14,000 at grade
8 crossings. They're shutting off capacity of our corridors,
9 and so, perhaps a re-investment strategic rail corridors
10 would help our road corridors and moving sea to rail, rather
11 than sea to truck, so that's another opportunity.

12 Thank you, Chairman.

13 MR. LEWIS: Thank you very much.

14 Commissioner Austin?

15 MR. AUSTIN: Thank you, Chairman.

16 Again, I want to thank each of you for coming.
17 You certainly, I think stimulate more thoughts than we have
18 solutions. But I want to dive into something -- well, two
19 things -- one, I agree with what you're saying, you know,
20 looking at individuals parking on the left side of roadways
21 that we travel, we spent, John, last year or year before
22 last, we put up 3,000 additional road signs that said left
23 lane is for passing only. I don't know if that had much
24 impact, because I think a lot of the roads that I travel,
25 they're ignored.

1 I use -- I say this a little tongue-in-cheek, but
2 it is -- that is very important, and we need our partners at
3 DPS to enforce the road laws as they are right now because
4 they're not doing that. I did ask an officer one time, is
5 there -- what is the -- is there a fine for this, because,
6 you know, we put up all these fines, and unbeknownst to me,
7 there's a \$200 fine, but it's not enforced. I know they
8 have other priorities fighting drugs, immigration, things
9 like that, but we do need our partners to help do that as
10 well. That could help.

11 I want to dive into something, and Mr. Ellis, I
12 want to ask you kind of a question. This is a great
13 discussion in planning, how do we pay for this? And I look
14 at using the tools and coming back -- I'm a banker,
15 Commissioner Bugg is a banker -- looking at the present
16 value of using today's dollars versus dollars tomorrow, and
17 with this, the construction-cost index, which is, you know,
18 is going up four to seven percent every year, interest rates
19 are at an all-time low, I wonder, from an educational
20 standpoint, let's talk about the economics for a second of
21 using tools to do it now versus wait. And, again, as a
22 banker, if we've all built a house, do you wait until you
23 have all of the cash accumulated over 20 years to build the
24 house or do you buy a smaller house and wait for that cash
25 to be accumulated or do you do it now?

1 And there's more than one right answer, but I just
2 kind of want to hear your input because we cannot -- each
3 and every one of ya'll have stated, we can't build our way
4 out of this right now; we have to use some other tools.

5 MR. ELLIS: Commissioner, I think you're
6 absolutely right in that regard. I mean if you look at a
7 roadway system as a capital asset, and as a businessman or
8 woman, you're going to purchase a capital asset for your
9 business, you don't necessarily save the entire cost of that
10 asset before you can purchase it. You will, many times,
11 particularly, in this kind of interest-rate environment,
12 finance that capital asset over a long period of time. It
13 allows you to begin to reap the benefits of that asset as
14 earlier on, than you otherwise would.

15 The difference is that when we confuse, you know,
16 debt financing, if you will, as a policy versus a strategy
17 or a tactic to execute it. It can't be a policy because we
18 can't do it forever, but it is -- it can be a strategy where
19 the financial conditions and the asset itself, the
20 criticality of the asset make it prudent to make that kind
21 of decision. And I think that's, you know, having the
22 flexibility in a system that allows you to use that
23 particular tool when it's most appropriate to do so, as
24 opposed to it being a policy to finance things that way.

25 But being able to use that tactic is important,

1 you know, when it's most suitable because you begin to
2 address those issues now, as opposed to five, ten, fifteen,
3 twenty years from now. And I think that, in my view at any
4 rate, the most prudent strategy to follow is to have all of
5 those options available.

6 MR. AUSTIN: And, Judge, not to put you on the
7 spot, but you brought up that you're looking at -- we're
8 considering a Harbor Bridge. Assuming that's awarded,
9 you're right of way portion is, I believe you said \$12
10 million?

11 MR. SIMPSON: Yes.

12 MR. AUSTIN: Why wouldn't -- what would happen if
13 you didn't have the money in the bank right now and you
14 couldn't borrow, what would happen to that project?

15 MR. SIMPSON: That project would probably not go
16 forward because of funding. I mean you're looking at a
17 billion-dollar project that all of a sudden pops up out of
18 the clear blue, everybody's got to participate to make it
19 happen; otherwise, it won't happen. It'll just be another
20 one of those that we got on the shelf that needs to get
21 done.

22 MR. AUSTIN: Thank ya'll for your questions. I'm
23 just thinking of using all the tools and the economic
24 impact. That's my final question.

25 MR. SIMPSON: May I make one more comment here on

1 something we've come up with, and it won't be just a second?

2 MR. AUSTIN: Okay. Just one second.

3 MR. SIMPSON: All of our industries that are
4 coming together over there have now come to the conclusions
5 that they're all in the same locations, pretty much, that
6 they're going to start an hour earlier for each other and
7 they're going to stagger their start times, which will
8 greatly reduce the amount of congestion, and the same thing
9 when it's time to go off work, they're going to stagger
10 those work times. So that was a solution that we came up,
11 but it's just limit to do a small area that we can do it in,
12 but it helps.

13 MR. LEWIS: Thank you very much, Judge.

14 And now we're going to -- I want to thank all of
15 you very much for coming here. We appreciate it. We're
16 going to be moving on.

17 General, if you'll move us to the next topic.

18 GENERAL WEBER: Okay. Chairman, thank you.

19 Item 2(b) will be a report on key performance
20 measures, and our chief strategy innovation officer, Darren
21 Anderson will present and lead this item.

22 Darren?

23 MR. ANDERSON: Mr. Chairman, Commissioners, and
24 the public, for the record, I'm Darren Anderson, the chief
25 strategy and innovation officer at TxDOT.

1 In the interests of the two-hour mark, what are
2 your questions?

3 (Laughter)

4 MR. ANDERSON: No? So our purpose here today is
5 to begin a discussion, if anything, and gain some guidance
6 on -- there we go -- on where we want to go with performance
7 metrics and the related processes that align to our TxDOT
8 missions and goals. As I got here ten months ago, I came
9 from a Department of Defense and federally related
10 background out of Northern Virginia and I began to look at,
11 from my strategic responsibilities, I began to look at our
12 mission and goals and thinking about what we were doing at
13 TxDOT and how we look at performance measures and metrics.

14 It was apparent to me that the thing we need to do
15 in terms of performance metrics, in addition to the work
16 that was already being done, that was focused on validation
17 of project selection and project delivery and some of the
18 things that Michael Morris talked about, actually, project
19 performance after construction, there was somewhat of a gap
20 in that we weren't really talking to the performance metrics
21 or measures that told us how well are we doing in relation
22 to our goals that we've set for ourselves and our strategy,
23 even in more detail on the 2040 Plan or the 2030, as
24 Dr. Walton referenced earlier.

25 So that's been the discussion that we've had in

1 the past of eight or so months of, you know, talking about
2 how were we going to address strategy differently when it
3 came time to begin the next round of our strategy update,
4 and what things would we look at, what we consider our
5 goals, and what we consider our metrics. And some things
6 came to light as we discussed that that I hope to bring out
7 in this discussion.

8 There's our mission and our goals. We have four
9 of them. Some states have more, some have about the same
10 amount. In general, they speak to somewhat the same areas.
11 There are some that have a broader stretch. In some cases,
12 it's a function of the organization itself, such as, some
13 have DMVs as a component and we don't, but those are the
14 ones that we looked at, as we began our thought on
15 performance metrics.

16 On slide 4 there are a set of performance metrics
17 that we already report. We report about 83 of them, and we
18 separately report them to USDOT, to -- that were directed by
19 them, as well as MAP-21 metrics that we're also,
20 essentially, reporting to them, and to the Legislative
21 Budget Board. And all of those metrics are currently posted
22 on a website. Many of them -- most of them are posted on
23 our website, the LBB and MAP-21 ones are, and the USDOT ones
24 are posted federally.

25 So we are in the process and are continuing the

1 process of reviewing those metrics, making sure that the way
2 that we're capturing data and the way that we're presenting
3 that data is accurate. And we've begun the process of
4 reviewing whether those match up to some of our own state
5 goals -- not necessarily federal goals -- and strategic
6 initiatives that we want to pursue. And so in this
7 conversation, that's exactly what we want to talk about, is
8 what are the best metrics or what are the best approaches to
9 metrics that we may take that would help better show whether
10 or not we're achieving the goals that we set in our
11 strategy.

12 On slide 5, I believe, we bend them -- now, the
13 metrics themselves were never designed to match TxDOT's
14 state goals; they were directed, for example, in MAP-21 or
15 in the USDOT procedures, but we went in and looked in, our
16 office of strategic plans, looked at the 83 that we
17 currently report and bend them according to our four goals.
18 Now, some are cross-cutting across the goals, but for the
19 sake of this discussion, we place them against one goal that
20 it best fit.

21 So what you see there on this slide is just a
22 quick capture that, essentially, for example, under USDOT,
23 there's 38 that we report in total, but 12 address
24 maintaining a safe system, likewise, 18 address congestion,
25 six for connecting Texans, and, finally, two that relate to

1 best in class. Now, I've provided those separately to you
2 in a printed-out spreadsheet that actually lists each one by
3 who it's reported to and how we bend it accordingly.

4 And on slide 6, this is where we're going in our
5 thinking and kind of what leads us into the discussion is,
6 we want to regularly begin to update you openly at the
7 Commission meetings, either monthly or quarterly or
8 annually, depending upon, you know, either the metric or
9 your comfort with how we do that. We want to bring those
10 metrics in here publicly, so that you, one, see the
11 performance of the agency; secondly, that we address
12 concerns about transparency within the agency. And we want
13 to get to the point where we're actually maintaining this on
14 our TxDOT websites so that the public can go in and look at
15 these.

16 There are -- we've looked across the state DOTs.
17 Some are, you know, pursuing key-performance measures in a
18 similar manner. Some reported only annually. Some actually
19 have what we would call a "dashboard" on their website that
20 you can check that's the data is flowing into it,
21 presumably, on a constant basis. Virginia's DOT is an
22 example of that.

23 We've started a task force of employees as the
24 ground -- as the beginning component of this, where we
25 looked at those 83 metrics, for example, and said, how would

1 you bend them in relation to our goals? Which ones, if any,
2 might you say could possibly be a start point for ones we
3 have presented at the Commission meetings that might
4 somewhat come close to addressing those goals? But, again,
5 with realization that those metrics were never designed,
6 specifically, to show TxDOT's progress toward a given goal.

7 We want to regularly reach out to other entities;
8 for example, we want to begin a process similar to what we
9 do with the 2040 Plan, that we have advisory or stakeholder
10 meetings, we meet with the MPOs, we meet with other
11 representatives, and draw in from a ground-up approach,
12 recommendations on how we might capture best, our
13 performance in a numerical value that would mean something
14 or at least be an indicator of our progress.

15 And we're also tracking the requirements of
16 pending legislation in House Bill 20 that in one section,
17 specifically, draws out some similar ideas of things we
18 might do, as it relates to the performance measures.

19 So what I've done, beginning on slide 7, what
20 we've captured in that group was a capture of some of the
21 metrics that are actually reported by or reported in those
22 83 measures and where they might be bent, and which ones
23 might actually be shown. Now, this is just an example of a
24 way to display this information; it certainly doesn't have
25 to be a final step. But just to draw out some of the

1 challenges under "maintaining safe system," it lists
2 fatalities on TxDOT roadway systems.

3 Well, that may not really be a sufficient measure
4 to tell us whether or not we're achieving some kind of
5 improvement in safety. Is it just a numerical value? Is it
6 a percentage? Does it account for the growth in the Texas
7 population or lane miles that we have relative to other
8 states? So I think there's a lot more fine resolution that
9 needs to be thought about when we pick a specific metric
10 that might, for example, speak to fatalities. And that's
11 kind of the discussion that we've been having is, is this
12 good enough? Is this type of measure good enough? And we
13 can go down the list, but is each one good enough or as we
14 get further into this and we think about what are all the
15 nuances of a given number that we would spit out or a
16 measure, is it sufficiently giving you the kind of feedback
17 that would help you give us guidance has to, okay, this is
18 an area that we want to look at, as it relates to our
19 strategy.

20 Likewise, same thing with serious injuries, rate
21 of recordable incidents, in my mind, is a slightly better
22 approach because it's at least a rate value, as opposed to a
23 specific numerical value.

24 Questions so far?

25 MR. AUSTIN: I want to save mine until the end.

1 MR. ANDERSON: As we go through those, and, you
2 know, as I've said, we don't necessarily have sufficient
3 metrics that we've been reporting in my mind in some of the
4 areas; for example, connecting Texas communities. There is
5 one about number of airports that have been selected for
6 financial assistance. Now, that doesn't necessarily mean
7 that the project has been completed for the airport; what's
8 the status; how did it change the connectivity of that
9 airport, so maybe further down the road, we can begin by
10 reporting these metrics until we could refine and develop a
11 system to capture better data that would allow us to then
12 tell you in a more rich environment, this is where we stand
13 on actually connecting using airports.

14 And, likewise, same thing with percent of
15 available grants awarded by public transportation. Well,
16 frankly, that's great, we've awarded grants, but does that
17 mean that that's made a change in connection, not
18 necessarily at that point in time, as much as it may mean
19 later that that's been accomplished.

20 On the second slide, slide 8, total revenue from
21 State Highway Fund, I think James Bass actually talked to
22 this in a separate meeting this morning. That, certainly,
23 is a great measure of what we're bringing in, in revenue
24 that can then be contributed back into our projects. And so
25 that may actually be a sufficient value, as it relates to

1 financial inflow of funds, external to what the state is
2 delivering to us, for example.

3 I'm not going to hit on each one of them, but
4 complaint resolutions, in fact, in part of the sunset
5 review, there was a component that kind of alluded to the
6 need for complaint capture and we actually have that process
7 in place now, and we're tracking that and reporting that on
8 a monthly basis, how we're resolving complaints that are
9 coming into the agency.

10 And, finally, on slide 9, I think it's also
11 important to point out that many of the measures that we
12 report are only annually reported right now, that they're
13 not something that's tracked or that's sufficiently
14 reportable on a monthly basis, because it takes the time to
15 go across the entirety of the state and capture that
16 information; for example, percent of bridges rated in good
17 condition or higher. So they have to do a complete survey
18 of the state, complete that on an annual basis and report
19 back on that. Now, we might be able to report a subset of
20 that if we find that that's a value that we could use.

21 With that, what I'm going to turn to is in the
22 last slide, the next steps that we want to do once we get
23 into this discussion, is to take your guidance, look at all
24 our processes, you know, to provide input into key
25 performance metrics and refine them, establish more reach to

1 the stakeholders, and establish, actually, a deliberate
2 transformation management process to control and manage
3 organizational change that would relate to this type of
4 effort as we see key-performance measures and what they're
5 telling us, how do we address those within the
6 organizations.

7 And, as I've alluded, it would help us to update
8 our TxDOT strategy and ultimately, then, as we got to the
9 point where we felt that we had a solid one or, you know,
10 solid set of metrics that we want to consistently follow
11 them, that would be the final ones that we would submit for
12 approval and actual posting through our websites and so
13 forth.

14 With that, I'm open to discussion.

15 MR. LEWIS: Commissioner Austin, did you have a
16 question?

17 MR. AUSTIN: I have a couple comments. Very good
18 job. I like the direction this is going. For those who
19 have read the Strategic Plan, the thick document that is on
20 our webpage, a lot of these items are mentioned in there and
21 are measured, and from time to time, I know we've seen
22 different, you know, John's reflected different benchmarks,
23 but there's no consolidated area to go and see how are we
24 performing.

25 In private industry, in my bank, I can look at

1 certain key parameters and see exactly what we're doing.
2 Bruce, you know, just -- we know what our -- and we can see
3 a trend line, where's it been, and then maybe here's where
4 we want to go, just like the population projections. Where
5 we can, it would be great to take the historical data that
6 we can, to see here's where we want to go and why.

7 I'd like to throw out a couple of ideas for you to
8 consider. You know, some of these are -- as I look at what
9 you have here, and a couple of ideas that I want to share --
10 some are within our control. Some are not within our
11 control. Some we can have a direct impact. Some are just
12 stats, reporting the facts of what's happened, for better or
13 for worse.

14 As you look at KPIs, the key-performance
15 indicators, you know, one thing we look at, customer
16 service, level of service, whether we outsource or have
17 something internal, you have some good stats in here of
18 response time. I think our response time, you know, we list
19 it at ten days. Ideally, we'd do more, but that's a great
20 measure and maybe down the road, we can improve that, but
21 response time, as a state agency, I think is something where
22 we can become a best-in-class agency. But we also have
23 drivers of revenue and drivers of cost control, which leads
24 to being good stewards of taxpayer dollars.

25 A couple things I'd like to share, you know, John

1 Barton is always great in reminding us -- and it goes back
2 to what day in 2001?

3 MR. BARTON: November 17th.

4 MR. AUSTIN: November 17th, 2001. You know,
5 that's a sad stat, but it's a sobering stat and one that we
6 need to continue. Do we put a ticker or something on there,
7 on this dashboard, you know, because hopefully someday we'll
8 be able start over from zero or one, as a constant reminder
9 for safety.

10 I think one thing we're always asked about and
11 we're required to report back to the state and federal, I
12 think, what are those types of stats we need; for example,
13 HUB and DBE concerns, I think we need to make sure those are
14 there.

15 Employee satisfaction -- when we look at TxDOT,
16 it's not the gentlemen that we're sitting here right here,
17 it's the 12,000 people that work for us that are out fixing
18 the roads and everything, and it comes back to management,
19 the executive director, you, and John, what ya'll are doing
20 throughout all of our divisions to keep a good workforce.
21 We've got to have a good workforce and engaged, and
22 hopefully, I'd like to see their level of satisfaction where
23 we can.

24 There's some financial metrics in here. You look
25 at over and under in lettings, I think one other thing, I

1 know we've looked at this in the Audit Committee before,
2 Change Orders, the percentage of Change Orders at dollar and
3 percentage. I think we need to see those go down to look
4 at, you know, we don't need these guys coming back all the
5 time -- that's how they're making their money -- I'm sorry
6 to offend anybody, but they keep coming back with Change
7 Orders and we need to stop that. A contract -- there are
8 legitimate things, but these nickels and dimes are hurting
9 us.

10 Collections, and when I come back to drivers of
11 revenue, you can charge it, you can earn it, you can be
12 entitled to it, but what about collections; for example,
13 tolls, or any other accounts receivable that we may have, as
14 well.

15 Now, I want to kind of get into multimodal. Now,
16 the majority of this is addressed towards roadway systems,
17 there's some in here -- I think you have transit and FAA
18 grants. Getting or earning the grants is great, but do we
19 include -- and I'm just -- don't have to have an answer
20 now -- since we give money to airports, help them plan --
21 we're kind of a pass-through entity -- what is measurable
22 and what is acceptable there? Is it on things, again,
23 outside our control, but we can help influence by
24 connectivity and grants. On-time, delays, passengers, what
25 are the passenger trends at Texas airports, because those

1 are also our inland ports. Number of flight incidents, you
2 know, we've had something that's come up that's going to
3 have an impact on us on towers that we've had -- you know,
4 there's legislation that we're looking at.

5 The same thing on the Intracoastal Waterway,
6 Commissioner Moseley, you've talked quite a bit about
7 holding up -- we're the proud federal sponsor for the
8 Intracoastal Waterway, putting in locks and dredging it.
9 There's been accidents there that hold up. We have a ferry
10 system.

11 We award -- you mentioned Darran, a lot of grants
12 that we award. To the transit systems, what kind of
13 accountability measures do we have? I know we don't get
14 them for operating, but their accountability, what kind of
15 measurements do we have coming back to where -- their level
16 of service. And I would say if they're not meeting a level
17 of service, we need to think twice about awarding that grant
18 so they get their level of service up.

19 I think the traffic -- I think that was one of the
20 last things I had. Oh, no, other -- I'm sorry, Light Rail
21 systems. We give a -- you know, we've participated in
22 different -- DART and Metro. And how do we measure -- we
23 talk about congestion, and we talked about it earlier, of
24 moving people and goods to other systems and other modes.
25 What are those trends in increased Light Rail usage and

1 increased freight usage, as far as tonnage, or even coming
2 in and out of our ports?

3 So just a couple considerations to look at things.
4 As trends shift, what's happening? What are those
5 measurable indexes that can help increase or tools or
6 funding? Thank you.

7 MR. ANDERSON: Just a point on that --

8 MR. AUSTIN: And I did scribble in my notes in
9 case you didn't get all that.

10 MR. ANDERSON: Oh, thank you.

11 (Laughter)

12 MR. ANDERSON: First of all, it reinforces many
13 discussions that we've had. It also points to something
14 that we've discussed that it's also sometimes a factor of
15 the tools that we have. For example, portfolio and project
16 management, the better we get at managing that with the
17 right type of enterprise solution, the more visibility we'll
18 have on life cycle of projects and where we stand along a
19 project timeline, in both cost schedule performance and all
20 those, and then those metrics will be readily available, but
21 we've got to build to that where we're not yet.

22 MR. AUSTIN: Thank you.

23 MR. LEWIS: Thank you. Commissioner Bugg, did you
24 have a question or comment?

25 MR. BUGG: Yes. Thank you, Mr. Chairman, and by

1 the way, thank you for calling this work session today
2 because I think we've all really benefitted from the
3 demographic presentation that we've heard.

4 And with the time remaining -- and I know we're on
5 a short string here -- but the time remaining, touching on
6 this key-performance measures, and I share Commissioner
7 Austin's point of view, and Darren, you and I had a chance
8 to talk earlier today. My way of approaching this,
9 key-performance measures, to me, means how our ongoing
10 operations are evaluated.

11 And in the private sector, Commissioner Austin
12 mentioned the banking business -- we're both in the banking
13 business -- we have dashboard metrics every day. We look at
14 our net interest margin, our total assets, non-interest
15 bearing deposits -- you know, we know what the metrics are
16 in that business. I think what we need to do to really
17 tackle this question that the chairman's asking of what are
18 the key-performance measures, is to kind of step back and
19 look at why is TxDOT in business in the first place? We're
20 there to serve the taxpayers of the state of Texas and all
21 the people that have to go, by whatever means of transport,
22 to get from home to work or whatever, whether, as Mike
23 Morris said, is rail or whatever the mode of transportation
24 is.

25 But, particularly, in light of the compelling

1 statistics that we heard today from the demographer, what I
2 think we need to do is take a very fresh look at what this
3 agency is in business for, for the people of the state of
4 Texas and how do we grade ourselves so that we can focus on
5 what are the targets that we're trying to hit to be able to
6 deliver this in the most meaningful way possible. And it
7 may be that people like Mike Morris and others in the
8 audience can have their own set of suggestions on metrics,
9 but I would suggest that, Mr. Chairman, we really think this
10 through and we really kind of go back to our roots and what
11 are we really trying to accomplish here and just get away
12 from statistical things that are kind of static and get more
13 into how are we -- what are our deliverables that we need to
14 provide to the people of the state of Texas, and we can all
15 probably come up with some of the ideas.

16 But, you know, I would ask you, John, and the
17 General, to kind of help, perhaps, with that theme, come
18 back to us with some metrics that you would suggest that
19 really can be a starting point for a conversation.

20 Thank you, Mr. Chairman.

21 MR. LEWIS: Thank you, Mr. Bugg.

22 GENERAL WEBER: Mr. Chairman?

23 MR. LEWIS: Yes, General?

24 GENERAL WEBER: Just to jump on that, because
25 you're absolutely right, we can talk about KPIs and metrics

1 and stuff, but we better make sure that we get it right up
2 front. And I've asked Mr. Anderson, Darren, to go back and
3 look at our mission statement, look at our goals and
4 objectives. Are those right, I mean, based on what we heard
5 earlier and what we're talking about now, and I'm not so
6 sure they are. We need to look at those.

7 And, again, as you said, what are we here for?
8 What are we trying to accomplish? And so, I think we got to
9 get that right at the beginning and then we'll --

10 MR. BUGG: Thank you, General.

11 MR. LEWIS: Yes, thanks to both of you.

12 And, Commissioners, any other questions or
13 comments?

14 MR. MOSELEY: Chairman --

15 MR. LEWIS: Yes, Mr. Moseley?

16 MR. MOSELEY: -- just one other thought is on the
17 metrics, would it be valuable for us to see or measure when
18 there is a crash, those crashes that damage our
19 infrastructure? Because we're starting to see some of the
20 crashes that really cost the taxpayers a lot of money to go
21 back and repair, and some of us remember a barge getting out
22 of control and taking out our bridge down at South Padre
23 Island and we know that we're just starting to see, you
24 know, more and more, some of our infrastructure has left,
25 that it needs to be repaired after a crash, so there might

1 be a value in tracking that. And if there's some hotspots,
2 maybe we need to go in there and really understand what's
3 going on in those areas. Thank you.

4 MR. AUSTIN: Mr. Chairman?

5 MR. LEWIS: Yes, Commissioner?

6 MR. AUSTIN: I would just like to ask -- you've
7 asked a very good question, that we be careful on how we use
8 these performance indicators. And here's where I'm going,
9 these dashboards can lead to priorities. These priorities
10 can lead to unintended consequences and funding formulas, is
11 that we end up funding -- trying to fund things for either
12 the right or the wrong reasons.

13 And I take that back -- I had the opportunity to
14 serve representing the Tyler MPO. I think, John, you
15 remember in 2003 when TxDOT was tasked with going from 32,
16 34 funding categories back to 12. In there, there's a lot
17 of discussion of these types of priorities, what type of
18 traffic counts, demographics, et cetera. And two things
19 came to mind that have an impact on how we fund projects:
20 Hurricane evacuation routes, does it have a significance to
21 a military installation, or port significance. So I just
22 want to be careful that we use these for the right reasons
23 and they don't become an arbitrary funding formula, but yet,
24 reporting back on our key metrics, they can be elements, I
25 just want to make sure we're keeping that in mind with the

1 big picture.

2 MR. LEWIS: Thank you very much, Commissioner.

3 And, Mr. Anderson, do you have any final thoughts?

4 We do have a person to come forward with a comment, but
5 before we get to that, do you have any other comments for
6 us?

7 MR. ANDERSON: Mr. Chairman, I just appreciate the
8 opportunity. Again, you really hit on the sweet spots of
9 what we've been discussing, coming to this point. We will
10 work on the entirety of our mission, goals, and really the
11 underlying objectives that will achieve those goals, and
12 that's where we'll begin to tie in these measures and help
13 show that we're achieving objectives on the way to a given
14 goal. Thank you.

15 MR. LEWIS: Well, thank you very much for your
16 good work and the clarity of your remarks.

17 We do have a comment request for appear before the
18 Commission by Alan Clark. Mr. Clark, please come forward
19 and after stating your name and who you're here
20 representing, please give us the benefit of your thoughts.

21 MR. CLARK: Thank you very much.

22 I'm Alan Clark; I'm the director of transportation
23 at the Houston-Galveston Area Council and there I have the
24 privilege of being the Metropolitan Planning Organization
25 director.

1 I just wanted to add to Mr. Anderson's comments by
2 giving your illustration of our efforts to integrate
3 performance measures from the plan, down to project
4 decision-making. And as many of you know from your business
5 experience, it is important to know how are we doing this
6 year? How did we do compared to last year and other time
7 periods? This is our effort to, both, give some
8 key-activity indicators that our policy council board
9 members have said that they want to follow and performance
10 outcomes that they identified that support our region's
11 transportation plan. There, we have five key goals very
12 similar to the ones that you have here for Texas Department
13 of Transportation.

14 In addition to that, because there are so many
15 ways to look at a problem, we provide on our website, an
16 expanded version of different performance measurements that
17 relate to the goals of our transportation plan, because I
18 think it is important to have as well-rounded an idea of how
19 we are delivering services as possible.

20 Our key goal is, first, to make better decisions,
21 make better use of the resources that we have to accomplish
22 what's important in our region, but also, to be accountable.
23 And I think that this one page -- I told my staff that
24 whatever we did, it had to fit on one page -- well, they
25 didn't say how big a page.

1 (Laughter)

2 MR. CLARK: But, as you can see, they did
3 accomplish that. But I think it's really important for us
4 to be able to say that what we have done with the funds that
5 we have been entrusted to provide and what the outcomes
6 were.

7 And then my final comment to you is, this is a
8 partnership activity; we couldn't do this work without the
9 inputs from the Department, our Districts, our transit
10 providers, and other providers of transportation. As you
11 can see, we are trying to be very multimodal in our approach
12 to this movement, so important to our region and the things
13 happening at our ports and airports are very critical.

14 The challenge ahead is that I'm concerned about
15 performance measures being viewed in a report card where
16 it's kind of a pass or a fail. What it should really be
17 about is the customer, the person using the transportation
18 system. And what is their expectation? Well, they want to
19 get there kind of on time, most of the time, and how does
20 our performance compare to that expectation? And then what
21 investments, what strategies can we pursue to get as close
22 to that customer expectation, if not exceed it, as possible?

23 And that's a conversation that I think we can have
24 with each other and with the public. So thank you for this
25 opportunity to provide some comments, and I'd be happy to

1 respond to any questions that you might have.

2 MR. LEWIS: Thank you, Mr. Clark.

3 Commissioners, any questions for Mr. Clark?

4 (No audible response.)

5 MR. LEWIS: Thank you very much for your excellent
6 presentation.

7 MR. CLARK: Thank you.

8 MR. LEWIS: That's the only request to appear card
9 that I have. Are there any others; if not, John?

10 MR. BARTON: Yes, Chairman.

11 Just to make sure that we've captured everything
12 correctly, I appreciate the conversation today and I've
13 noted several additional action items, the next steps that
14 we need to take. One is for us to continue to gather
15 additional information and data from our state demographer,
16 related to the questions that you asked and incorporate that
17 into our planning activities; to continue to strengthen and
18 build upon our strong cooperation and support with our
19 transportation planning partners across the states, as it
20 relates to these emerging demographic changes; and to
21 continue the dialogue with the public and the Commission
22 about that information as we move forward in developing
23 long-range plans; and to capture Commissioner Moseley's
24 ideas. I hope, he, too, had taken good notes that we may
25 plagiarize.

1 As it relates to performance measures, we will
2 continue to work on refining those and re-visit the goals
3 and mission of this agency with the Commission through our
4 strategic planning process that will be underway soon,
5 developing a dashboard and perhaps performance measure
6 trends that we can share publicly and with this Commission
7 on a regular frequency, and then to capture Commissioner
8 Austin's ideas, and I will be asking for a copy of his
9 notes.

10 And then based on your glances at me throughout
11 the meeting, Chairman Lewis, I will begin a process of
12 helping you to work with your fellow colleagues to improve
13 their political correctness as they move forward from today.

14 (Laughter)

15 MR. LEWIS: Well, if you can do that, we don't
16 have to worry about the roads of Texas. You're a miracle
17 worker for all of us up here. Thank you.

18 And, General, does that complete the presentation
19 of Items 2(a) and 2(b)?

20 GENERAL WEBER: That does, Chairman. Thank you.

21 MR. LEWIS: Thank you very much.

22 The next item we have is executive session. We do
23 not have any matters to come before us in executive session.

24 That does bring us to the open comment period. Do
25 we have any blue cards for open comment period? Does anyone

1 wish to fill one out and make any opening comments on
2 matters, other than those which are on the agenda?

3 (No audible response.)

4 MR. LEWIS: Seeing none, then it does appear to me
5 that all the items on today's agenda are completed and if
6 there's no other -- is there any other business to come
7 before the Commission, Members?

8 (No audible response.)

9 MR. LEWIS: If not, there being none, I believe
10 that Commissioner Bugg wishes to move that we adjourn; is
11 that correct, Commissioner Bugg?

12 MR. BUGG: Yes, sir; you read my mind.

13 MR. LEWIS: And if I'm not mistaken, Commissioner
14 Vandergriff is willing to second that motion?

15 MR. VANDERGRIFF: Absolutely.

16 (Laughter)

17 MR. LEWIS: So if there's no discussion of these
18 motions and second that have been made here, then I'm going
19 to call for the vote.

20 All in favor of the adjournment say aye.

21 (Chorus of "Ayes")

22 MR. LEWIS: Any opposed?

23 (No audible response.)

24 MR. LEWIS: Then I will note for the record that
25 it is, what, 4:59?

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

GENERAL WEBER: 3:59.

MR. LEWIS: Oh, pardon me, what'd I say -- 3:59.

If I could read a clock, then we could all get out of here. I'll note that it is 3:59 and the meeting stands adjourned. Thank you very much.

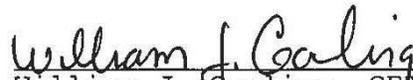
(Proceedings concluded at 3:59 p.m.)

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25

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 85 constitute a full, true, and accurate transcript from electronic recording of the proceedings had in the foregoing matter.

DATED this 8th day of May, 2015.


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