

These are the minutes of the regular meeting of the Texas Transportation Commission held on January 26, 2017, in Austin, Texas. The meeting was called to order at 9:00 a.m. by Chairman Lewis with the following commissioners present:

Texas Transportation Commission:

Tryon D. Lewis	Chairman
Jeff Austin, III	Commissioner
Victor Vandergriff	Commissioner
J. Bruce Bugg	Commissioner
Laura Ryan	Commissioner

Administrative Staff:

Marc Williams, Deputy Executive Director
 Jeff Graham, General Counsel
 Robin Carter, Commission Chief Clerk

A public notice of this meeting containing all items on the proposed agenda was filed in the Office of the Secretary of State at 2:43 p.m. on January 18, 2017, as required by Government Code, Chapter 551, referred to as "The Open Meetings Act."

ITEM 1. Safety Briefing

This item was presented by Occupational Safety Specialist Sidney Maloy.

Chairman Lewis recognized Representative Charles "Doc" Anderson who briefly addressed the commission, thanking the commission for its work. The commission recognized and thanked Daniel Paschal, J.D., outgoing director of the Commission Support Section, for his thoughtful and thorough work for the commission over the past five years. Photographs were taken. The chairman then recognized Travis Richmond, chief of staff to Senator Dawn Buckingham, who did not address the commission, and Representative Scott Cosper, who thanked the commission and offered support for the I-14 designation.

ITEM 2. Consider approval of the Minutes of the December 14, 2016, workshop meeting and the December 15, 2016, regular meeting of the Texas Transportation Commission

Commissioner Ryan made a motion, which was seconded by Commissioner Bugg, and the commission approved the minutes of the December 14, 2016, workshop meeting and the December 15, 2016, regular meeting by a vote of 5 - 0.

ITEM 3. South Orient Rail Line

Consider authorizing the department to assist the lessee with negotiating a trackage rights agreement with Union Pacific Railroad (MO) (Presentation)

This item was presented by Rail Division Director Peter Espy. The commission also heard comments from Elizabeth Grindstaff, Vice President of Sales and Marketing for Texas Pacifico. Commissioner Austin made a motion, which was seconded by Commissioner Vandergriff, and the commission approved the following minute order by a vote of 5 - 0.

114808
RRD

Texas Transportation Code § 91.002 provides that the acquisition, financing, construction, operation, maintenance, and lease of a rail facility are public and governmental functions exercised for a public purpose and matters of public necessity.

Texas Transportation Code § 91.004 provides that the Texas Department of Transportation (the department) may acquire, finance, construct, maintain, and contract for the operation of a rail facility individually or as one or more systems.

Texas Transportation Code § 91.103 provides that the department may enter into an agreement with a rail operator, common carrier, or transportation system for the common use of its facilities, installations, or properties.

The South Orient rail line (SORR) extends from a connection with BNSF Railway near Coleman, Texas, to a connection with Union Pacific Railroad (UPRR) at Alpine, Texas. The SORR begins again 11.21 miles west of Alpine at a second connection with the UPRR that is identified as Paisano Junction.

The department completed the acquisition of the SORR in 2001 to prevent its abandonment by prior owners and leased the facility to Texas Pacifico Transportation, LTD (TXPF). The department and TXPF have jointly invested over \$63 million in capital projects on the SORR. These improvements have resulted in an increase of traffic from an average of 2,031 carloads annually to 30,565 carloads in 2016, providing essential transportation services to a large region of the state and positive economic impacts to the area.

TXPF trains traveling on the SORR must travel over UPRR tracks between Alpine and Paisano Junction via a prior Trackage Rights Agreement (Agreement) that was assigned to TXPF with UPRR approval. In 2016, TXPF moved 596 carloads across the UPRR between Alpine and Paisano Junction for delivery in Presidio County and moved the cars back from the customer across UPRR after they had been emptied. TXPF is also developing a project to reconstruct a rail bridge over the Rio Grande River at Presidio, Texas, which will reopen an international rail gateway. Access to the Presidio rail bridge is dependent upon the UPRR trackage rights.

On December 20, 2016, UPRR notified TXPF that UPRR would terminate the Agreement effective February 25, 2017, and remove the connecting tracks at Paisano Junction that provide access from the southern part of the SORR to the UPRR. UPRR's stated intent of removing the connecting tracks at Paisano Junction will sever all access to the southern section of the SORR and isolate over 70 miles of the rail line from all train operations.

Section 6 of the Agreement requires UPRR to provide "not less than one (1) year's written notice" before cancelling the agreement. Further, the U.S. Supreme Court and the U.S. Surface Transportation Board (STB) have ruled in prior decisions that trackage rights that have been approved by the STB must remain in effect until the STB either approves a new agreement or permits their discontinuance.

The department finds that UPRR's stated intent of terminating the Agreement (1) violates that Agreement by not providing at least one (1) year advance notice and (2) is not in compliance with required STB procedure.

IT IS THEREFORE ORDERED by the commission that the department is authorized (1) to enter into negotiations with UPRR and TXPF to retain or renegotiate the existing trackage rights agreement and (2) to seek STB assistance in retaining trackage rights for connectivity of the SORR system. It is further ordered that the final trackage rights agreement be presented to the commission for review and approval before being executed by the department or TXPF.

ITEM 4. Strategic Plan

Consider the adoption of an update to the 2017-2021 Strategic Plan (MO)

This item was presented by Aviation Division Director Dave Fulton. Aviation Division Deputy Director Jay Joseph also provided explanations to the commission. Commissioner Bugg made a motion, which was seconded by Commissioner Ryan, and the commission approved the following minute order by a vote of 5 - 0.

114809
AVN

Texas Government Code, Chapter 2056, requires that each state agency prepare a five-year strategic plan every biennium. The strategic plan represents the commitment by the Texas Department of Transportation (department) to fulfill its mission to, through collaboration and leadership, deliver a safe, reliable, and integrated transportation system that enables the movement of people and goods. The Texas Transportation Commission (commission) adopted the document entitled Agency Strategic Plan for the Fiscal Years 2017-2021 Period on May 26, 2016, in Minute Order 114588.

Texas Government Code, §2205.032, provides that the department shall develop a long-range plan for its pool of aircraft as part of the agency's strategic plan. The long-range plan must include estimates of future aircraft replacement needs and other fleet management needs, including any projected need to increase or decrease the number of aircraft in the pool. The department has developed the proposed Long-Range State Aircraft Fleet Replacement Plan considering, for each aircraft in the pool, how much the aircraft is used and the purposes for which it is used, the cost of operating the aircraft and the revenue generated by the aircraft, and the demand for the aircraft or for that type of aircraft.

IT IS THEREFORE ORDERED by the commission that the document entitled Long-Range State Aircraft Fleet Replacement Plan, as shown in Exhibit A, is adopted as an update to the

2017-2021 Strategic Plan and approved for submission to the Governor's Office, the Legislative Budget Board, and other required officials.

Note: Exhibit A is on file with the commission chief clerk.

ITEM 5. Highway Designation

Bell and Coryell Counties - Consider the designation of a segment of the state highway system as I-14, concurrent with US 190 from the eastern junction of US 190 and Business US 190E in Copperas Cove to I-35 in Belton (MO)

This item was presented by Transportation Planning and Programming Division Director Peter Smith. The commission heard comments from Representative Scott Cosper, John Thompson, Chairman, Gulf Coast Strategic Highway Coalition, John Crutchfield, President, Greater Killeen Chamber of Commerce, and General Kendall Cox, Executive Director, Heart of Texas Defense Alliance. Commissioner Austin made a motion, which was seconded by Commissioner Vandergriff, and the commission approved the following minute order by a vote of 5 - 0.

114810
TPP

The Texas Department of Transportation (department) proposes to designate a 25-mile segment of the state highway system as Interstate 14 (I-14), concurrent with US 190 from the eastern junction of US 190 and Business US 190E in Copperas Cove to I-35 in Belton.

Minute Order 114556, dated April 28, 2016, authorized the submission of an application to the American Association of State Highway and Transportation Officials (AASHTO) requesting this segment of US 190 be added to the Interstate Highway System as I-14. On August 8, 2016, the AASHTO Special Committee on US Route Numbering approved the application for the I-14 segment described above.

The Administrator of the Federal Highway Administration approved the inclusion of this segment of I-14 on the Interstate Highway System on December 19, 2016.

Pursuant to Texas Transportation Code, §§201.103 and 221.001, the executive director of the department has recommended this action. The Killeen-Temple Metropolitan Planning Organization also recommended concurrent designation of I-14 with US 190.

The Texas Transportation Commission (commission) finds that this action will facilitate the flow of traffic, promote public safety, and maintain continuity of the state highway system and is necessary for the proper development and operation of the system.

IT IS THEREFORE ORDERED by the commission that I-14 is designated on the state highway system concurrent with US 190 from the eastern junction of US 190 and Business US 190E in Copperas Cove to I-35 in Belton, a total distance of 25 miles, as shown in Exhibit A.

Note: Exhibit A is on file with the commission chief clerk.

ITEM 6. Public Transportation

Various Counties - Consider the award of transportation development credits to Corpus Christi Regional Transportation Authority, the City of Lubbock, and the City of Wichita Falls (MO)

This item was presented by Public Transportation Division Director Eric Gleason. Commissioner Vandergriff made a motion, which was seconded by Commissioner Bugg, and the commission approved the following minute order by a vote of 5 - 0.

114811
PTN

The Texas Transportation Commission (commission) desires to award 473,700 transportation development credits (TDC) to the Corpus Christi Regional Transportation Authority, the City of Lubbock, and the City of Wichita Falls to be used as the local match for federally funded capital projects. These capital projects, as shown in Exhibit A, are supported by grants administered directly by the Federal Transit Administration.

Transportation Code, Chapter 455 assigns a broad spectrum of public transportation roles and missions to the Texas Department of Transportation.

Transportation Code, Chapter 456 authorizes the commission to administer funds appropriated for public transportation.

Title 43, Texas Administrative Code (TAC), §5.109 establishes a process by which TDC may be awarded at the discretion of the commission. The commission recognizes that state and federal law permits the substitution of TDC as the required non-federal match for projects.

In making this award, the commission has considered the potential of the projects to expand the availability of funding for public transportation projects and finds that the projects meet the established program goals set forth in 43 TAC §5.102 to support public transit.

IT IS THEREFORE ORDERED by the commission that the executive director or the director's designee is directed to proceed with the TDC awards as shown in Exhibit A and enter into the necessary contracts in accordance with the priorities established in this minute order.

Note: Exhibit A is on file with the commission chief clerk.

ITEM 7. Promulgation of Administrative Rules Under Title 43, Texas Administrative Code, and the Administrative Procedure Act, Government Code, Chapter 2001: Final Adoption Chapter 9 - Contract and Grant Management Amendments to §9.31, Definitions, §9.33, Precertification, and §9.34, Comprehensive Process (Contracting for Architectural, Engineering, and Surveying Services) (MO)

This item was presented by Professional Engineering Procurement Services Division Director Martin Rodin. Commissioner Austin made a motion, which was seconded by Commissioner Bugg, and the commission approved the following minute order by a vote of 5 - 0.

114812
PEPS

The Texas Transportation Commission (commission) finds it necessary to adopt amendments to §9.31, Definitions, §9.33, Precertification, and §9.34, Comprehensive

Process, relating to Contracting for Architectural, Engineering, and Surveying Services to be codified under Title 43, Texas Administrative Code, Part 1.

The preamble and the adopted amendments, attached to this minute order as Exhibits A and B, are incorporated by reference as though set forth verbatim in this minute order, except that they are subject to technical corrections and revisions, approved by the general counsel, necessary for compliance with state or federal law or for acceptance by the Secretary of State for filing and publication in the Texas Register.

IT IS THEREFORE ORDERED by the commission that the amendments to §§9.31, 9.33, and 9.34 are adopted and are authorized for filing with the Office of Secretary of State.

The executive director is directed to take the necessary steps to implement the actions as ordered in this minute order, pursuant to the requirements of the Administrative Procedure Act, Government Code, Chapter 2001.

Note: Exhibits A and B are on file with the commission chief clerk.

ITEM 8. Toll Operations

Travis and Williamson Counties - Consider approval to expend funds from the Central Texas Turnpike System (CTTS) capital contribution account for the expansion of Segments 2 and 3 of the SH 130 element of the CTTS to add an additional toll lane in each direction from SH 45N to US 290 (Segment 2), and from US 290 to SH 71 (Segment 3). Consider the designation of an additional authorized representative under the Indenture of Trust for the CTTS. (MO)

This item was presented by Toll Operations Division Director Rick Nelson. Commissioner Bugg made a motion, which was seconded by Commissioner Ryan, and the commission approved the following minute order by a vote of 5 - 0.

114813
TOD

Transportation Code, §228.051, provides that the Texas Transportation Commission (commission), by order, may designate one or more lanes of a segment of the state highway system as a toll project or system. Minute Order 108873, dated April 25, 2002, previously designated SH 130 from I-35 at SH 195 to I-10 at Seguin as a turnpike project on the state highway system.

Segments 1-4 of SH 130, from I-35 at SH 195 to a southern terminus at US 183 is being operated as an element of the Central Texas Turnpike System (CTTS). The Texas Department of Transportation (department) is recommending that the commission approve the expansion of a portion of the SH 130 element of the CTTS to add an additional toll lane to both the northbound and southbound segments from SH 45N to US 290 (approximately 9 miles of Segment 2 of SH 130) and from US 290 to SH 71 (approximately 11.4 miles of Segment 3 of SH 130) (SH 130 expansion project) to improve safety and mobility on SH 130, Segments 1-4.

Pursuant to Section 501(a) of the CTTS Indenture of Trust (indenture), prior to adopting any change in the toll rates as well as changes in design of the CTTS configuration and turnpike plan, the commission shall obtain and file with the trustee a certificate by the CTTS traffic and revenue consultant that, in the consultant's opinion, the adoption of such proposed changes will not adversely affect the ability of the

commission to comply with its rate covenant in the indenture. The department has received such certification from the traffic and revenue consultant, shown in Exhibit A, and has filed it with the trustee.

The department recommends that the construction costs of the SH 130 expansion project be paid from the approximately \$196,697,330 on deposit, as of November 30, 2016, in the capital contribution account of the construction fund created under the CTTS indenture.

IT IS THEREFORE ORDERED that the department is authorized to proceed with the SH 130 expansion project to add an additional toll lane to both the northbound and southbound segments from SH 45N to US 290 (approximately 9 miles of Segment 2 of SH 130) and from US 290 to SH 71 (approximately 11.4 miles of Segment 3 of SH 130), and to expend funds from the capital contribution account of the construction fund created under the CTTS indenture for that purpose

IT IS FURTHER ORDERED that the director of the Project Finance, Debt and Strategic Contracts Division of the department is designated as an additional Texas Turnpike Authority (TTA) representative pursuant to the CTTS indenture.

IT IS FURTHER ORDERED that a TTA representative is authorized to take such actions necessary to comply with the CTTS indenture and to requisition or transfer CTTS funds for the SH 130 expansion project.

Note: Exhibit A is on file with the commission chief clerk.

ITEM 9. Finance and Financial Assistance for Projects

a. Central Texas Turnpike System Revenue Bonds

Consider the approval of the Eighth Supplemental Indenture authorizing the issuance of one or more series of Central Texas Turnpike System (CTTS) Revenue Refunding Bonds to refund all or any portion of the outstanding CTTS bonds, the approval of the documents relating to such obligations and the refunding of certain outstanding CTTS obligations, and the designation of department officials to take all actions necessary to deliver the obligations (MO)

This item was presented by Project Finance, Debt & Strategic Contracts Division Director Ben Asher. Commissioner Ryan made a motion, which was seconded by Commissioner Austin, and the commission approved the following minute order by a vote of 5 - 0.

114814
PFD

Transportation Code Section 228.051 provides that the Texas Transportation Commission (commission) by order may designate one or more lanes of a segment of the state highway system as a toll project or system.

By Minute Order 108873, dated April 25, 2002, SH 130 was designated as a toll project and a controlled access state highway from I-35 north of Georgetown to the intersection of US 183 and SH 130 at SH 45 Southeast (SH 130) as part of the Central Texas Turnpike System (system).

By Minute Order 108896, dated May 30, 2002, SH 45 N was designated as a toll project and a controlled access state highway from west of US 183 to SH 130/SH 45 North interchange (SH 45 N) as part of the system.

By Minute Order 108896, dated May 30, 2002, Loop 1 was designated as a toll project and a controlled access state highway from the existing Loop 1 and FM 734 (Parmer Lane) to the

Loop 1/SH 45 N interchange (Loop 1) as part of the system.

By Minute Order 109729, dated July 29, 2004, SH 45 Southeast was designated as a toll project and a controlled access state highway from I-35 at FM 1327 south of Austin to the SH 310/US 182 interchange (SH 45 SE) and by Minute Order 113243 dated August 30, 2012 SH 45 SE was designated as part of the system.

The commission has outstanding \$2,401,472,000 in aggregate principal amount of system bonds (collectively, the system bonds) issued to finance or refinance a portion of the costs of the system, composed of the SH 130, SH 45 N, Loop 1, and SH 45 SE project elements, described above, pursuant to an indenture and seven supplemental indentures. Any terms not otherwise defined in this order have the meaning given in the indenture.

The commission is authorized pursuant to Chapters 1207 and 1371, Texas Government Code, as amended, and Chapter 228, Texas Transportation Code, as amended, to refund, refinance and restructure outstanding toll revenue obligations such as the system bonds and the Texas Department of Transportation (department) is reviewing all outstanding system bonds for refunding opportunities.

The commission has determined it to be in the best interest of the state and the system to issue additional bonds pursuant to the indenture to refund all or any portion of the outstanding system bonds and the indenture authorizes the issuance of additional bonds to refund all or any portion of the outstanding system bonds upon compliance with certain conditions as set forth in the indenture.

The indenture, together with the "Eighth Supplemental Indenture of Trust" (eighth supplement), prescribes the terms, provisions and covenants related to the proposed issuance of refunding bonds in one or more series with such name, series designation and other terms and provisions as provided in the eighth supplement and each related award certificate so long as the issuance of such refunding bonds results in any of the following: (i) a net present value debt service savings of not less than 3% of the system bonds refunded, (ii) provides long-term fixed rates for refunded variable rate obligations, (iii) other variable rate financing for refunded variable rate obligations, or (iv) any combination thereof.

Under the eighth supplement, a chief financial officer, as defined in the eighth supplement, includes the chief financial officer of the department and the director, project finance, debt and strategic contracts division of the department who is authorized to determine the method of sale for each series of refunding bonds as well as the price, lien status and other terms of the refunding bonds as prescribed in each award certificate.

The commission understands that a preliminary official statement and final official statement will be distributed in connection with the public offering of one or more series of the refunding bonds.

Under the eighth supplement, a chief financial officer, on behalf of the commission, is authorized to price all or a portion of the refunding bonds with various interest rate and other structures including variable rate bonds, put bonds, index bonds

and others, which may require the use of liquidity provider(s), tender agents, remarketing agents and other entities performing various functions in connection with any such interest rate structures.

IT IS THEREFORE ORDERED by the commission that the chairman of the commission and executive director of the department are authorized and directed to execute and deliver each series of the refunding bonds and such other documents and certificates to carry out the intent of this order and each chief financial officer, on behalf of the commission, is authorized and directed to execute and deliver the eighth supplement, any bond purchase agreement, escrow agreement, if necessary, paying agent agreement, award certificate and similar agreements necessary for any series of the refunding bonds (collectively, program documents), in the form approved by a chief financial officer or in substantially the form previously approved by the commission in connection with the outstanding system bonds, as applicable, with such changes as a chief financial officer, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of the program documents.

IT IS FURTHER ORDERED by the commission that a chief financial officer, on behalf of the commission, is authorized and directed to execute and deliver any remarketing agreement, liquidity agreement, tender agent agreement and other agreements necessary for any variable rate refunding obligations (collectively, variable rate documents), and the variable rate documents and similar agreements in connection with any variable rate refunding obligations are authorized in such form approved by a chief financial officer executing the same may approve, such approval to be conclusively evidenced by execution of the variable rate documents.

IT IS FURTHER ORDERED by the commission that any necessary ancillary documents in connection with the issuance of the refunding bonds, the program documents, the variable rate documents, if any, are hereby approved, and a chief financial officer, on behalf of the commission, is authorized and directed to execute and deliver such documents.

IT IS FURTHER ORDERED by the commission that the preliminary official statement and the official statement are approved for distribution in connection with the public offering and sale of each series of refunding bonds in such form as a chief financial officer, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of such official statement. The chief financial officer, on behalf of the commission, is authorized to deem any preliminary official statement and official statement final for purposes of rule 15c2-12 of the Securities and Exchange Commission (rule) with such omissions as permitted by the rule.

IT IS FURTHER ORDERED by the commission that any necessary ancillary documents in connection with the issuance of a series of the system bonds, the program documents and the variable rate documents, if any, are hereby approved, and each member of the commission, each chief financial officer, the executive director of the department and general counsel of the department, on behalf of the commission, are authorized and directed to perform all such acts and execute such documents, certificates, notices and applications, including any applications and submissions to the Bond Review Board, if necessary, and execution of certifications to any underwriters,

the attorney general, the comptroller of public accounts, the Bond Review Board and other parties, as may be necessary to carry out the intent of this order and other orders of the commission relating to the system, the eighth supplement, the program documents and the variable rate documents, if any.

b. Texas Highway Improvement General Obligation Bonds

Consider the approval of a Fifth Supplemental Resolution authorizing the issuance of highway improvement general obligation (HIGO) refunding bonds in one or more series, the approval of documents relating to the issuance of such obligations and the refunding of certain outstanding HIGO obligations, and the designation of department officials to take all actions necessary to deliver the obligations (MO)

This item was presented by Project Finance, Debt & Strategic Contracts Division Director Ben Asher. Commissioner Bugg made a motion, which was seconded by Commissioner Vandergriff, and the commission approved the following minute order by a vote of 5 - 0.

114815
PFD

Pursuant to Minute Order 112100, dated January 28, 2010, the Texas Transportation Commission (commission) approved a "Master Resolution Establishing the Texas Transportation Commission Highway Improvement General Obligation Financing Program" (master resolution) to establish a general obligation financing program in an aggregate principal amount outstanding at any time not to exceed \$5 billion pursuant to which the commission may issue bonds and execute credit agreements secured by and payable from the general revenues of the state pursuant to the constitutional provision and Transportation Code section 222.004. Any terms not otherwise defined herein have the meaning given in the fifth supplement, as hereinafter defined.

Section 49-p, Article III of the Texas Constitution (constitutional provision), section 222.004, and other applicable law, including Government Code, Chapters 1207 and 1371, authorize the commission to issue general obligation bonds, notes and other public securities (bonds) and to enter into credit agreements. The commission may issue general obligation bonds for one or more of the following purposes: 1) to pay, or reimburse the State Highway Fund for payment of, all or part of the costs of highway improvement projects including loans for highway improvement projects; 2) to pay (a) the costs of administering projects authorized under section 222.004, (b) the costs or expense of the issuance of the bonds or (c) all or part of a payment owed or to be owed under a credit agreement; and 3) refunding outstanding bonds.

All new money general obligation bonds authorized pursuant to the constitutional provision have been issued; however, the Texas Department of Transportation (department) continues to review all outstanding general obligation bonds for refunding opportunities.

The master resolution, together with the "Fifth Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Highway Improvement General Obligation Financing Program" (fifth supplement), prescribes the terms, provision and covenants related to the issuance of additional general obligations

bonds in one or more series with such title and series designation as set forth in the fifth supplement so long as the issuance of such refunding bonds results in a net present value debt service savings of not less than 3% of the outstanding bonds refunded.

Under the fifth supplement, the department representative, as defined in the fifth supplement, includes the chief financial officer of the department and the director, project finance, debt and strategic contracts division of the department, is authorized to determine the method of sale for the bonds, and shall further determine such price, interest rate or rates and such terms of the bonds, as prescribed in each award certificate in accordance with the fifth supplement.

Under the fifth supplement, each department representative is authorized to price all or a portion of the bonds with various interest rate and other structures including variable rate bonds, put bonds, index bonds and others, which may require the use of liquidity provider(s), tender agents, remarking agents, calculation agents and other entities performing various functions in connection with any such interest rate structures.

The commission understands that a preliminary official statement and final official statement will be distributed in connection with the public offering of the bonds, which preliminary official statement and official statement will include a description of the general obligation pledge of the state's full faith and credit.

IT IS THEREFORE ORDERED by the commission that the chairman of the commission and the executive director of the department are authorized and directed to execute and deliver each series of bonds and such other documents and certificates necessary to carry out the intent of this order and each department representative, on behalf of the commission, is authorized and directed to execute and deliver the fifth supplement, any bond purchase contract, award certificate, paying agent/registrar agreement and escrow agreement, and similar agreements necessary for any series of the bonds (collectively, program documents), in the form approved by the department representative or in substantially the form previously approved by the commission in connection with the outstanding parity debt, as applicable, with such changes as the department representative, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of the program documents.

IT IS FURTHER ORDERED by the commission that each department representative, on behalf of the commission, is authorized and directed to execute and deliver any remarketing agreement, liquidity agreement, tender agent agreement and similar agreements necessary for any variable rate bonds (collectively, variable rate documents), and the variable rate documents and similar agreements in connection with any variable rate bonds are approved in substantially the form previously approved by the commission in connection with the outstanding Texas Mobility Fund debt with such changes as the department representative executing the same may approve, such approval to be conclusively evidenced by execution of the variable rate documents, if any.

IT IS FURTHER ORDERED by the commission that the preliminary official statement and the official statement are approved for distribution in connection with the public offering and sale of each series of refunding obligations in such form as a

department representative, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of such official statement. Each department representative, on behalf of the commission, is authorized to deem any preliminary official statement and official statement final for purposes of rule 15c2-12 of the Securities and Exchange Commission (rule) with such omissions as permitted by the rule.

IT IS FURTHER ORDERED by the commission that any necessary ancillary documents in connection with the issuance of a series of the bonds, the program documents, and the variable rate documents, if any, are hereby approved, and each member of the commission, each department representative, the executive director of the department, and general counsel of the department, on behalf of the commission, are authorized and directed to perform all such acts and execute such documents, certificates, notices and applications, including any applications and submissions to the Bond Review Board, if necessary, and execution of certifications to the underwriters, the Attorney General, the Texas Comptroller of Public Accounts, the Bond Review Board and other parties, as may be necessary to carry out the intent of this order and other orders of the commission relating to the general obligation financing program established by the master resolution, the fifth supplement, the program documents, and the variable rate documents, if any.

c. State Highway Fund Revenue Bonds

Consider the approval of a Ninth Supplemental Resolution authorizing the issuance of State Highway Fund revenue refunding obligations in one or more series, the approval of documents relating to the issuance of such obligations and the refunding of certain outstanding State Highway Fund revenue obligations, and the designation of department officials to take all actions necessary to deliver the obligations (MO)

This item was presented by Project Finance, Debt & Strategic Contracts Division Director Ben Asher. Commissioner Vandergriff made a motion, which was seconded by Commissioner Austin, and the commission approved the following minute order by a vote of 5 - 0.

114816
PFD

Pursuant to Minute Order 110472, dated March 30, 2006, the Texas Transportation Commission (commission) approved a "Master Resolution Establishing a Financing Program for Bonds, Other Public Securities and Credit Agreements Secured by and Payable from Revenue Deposited to the Credit of the State Highway Fund," as subsequently amended and restated (master resolution), to establish a revenue financing program (state highway fund revenue financing program) pursuant to which the commission may issue bonds, notes and other public securities and execute credit agreements secured by and payable from a pledge of and lien on revenues deposited to the credit of the State Highway Fund (highway fund). Any terms not otherwise defined herein have the meaning given in the ninth supplement, as hereinafter defined.

Section 49-n, Article III, of the Texas Constitution (constitutional provision), Transportation Code, Section 222.003 (enabling act), and other applicable law, including Government Code, Chapters 1207 and 1371, authorize the commission to

issue bonds and other public securities and enter into bond enhancement agreements that are payable from revenue deposited to the credit of the highway fund to fund state highway improvement projects. The constitutional provision further provides for the appropriation of amounts from highway fund revenues that are sufficient to pay the principal of and interest on such bonds or other public securities and any cost related to the bonds and other public securities, including payments under bond enhancement agreements.

The enabling act authorizes the commission to issue bonds and other public securities (bonds) secured by a pledge of and payable from revenue deposited to the credit of the highway fund. The enabling act further provides that the Texas Comptroller of Public Accounts (comptroller) shall withdraw from the highway fund amounts determined by the commission to permit timely payment of the principal of and interest on the bonds and other public securities and any cost related to the bonds and other public securities, including payments under credit agreements.

The commission has determined it to be in the best interest of the state and the highway fund to issue additional bonds, on parity with previously issued obligations (parity debt), secured by and payable from a pledge of and lien on revenues deposited to the credit of the highway fund under the constitutional provision to refund all or part of the outstanding parity debt to provide: (i) savings to the state, (ii) long-term fixed rates for refunded variable rate bonds, (iii) alternative variable rate financing for refunded variable rate bonds, or (iv) any combination thereof.

The master resolution, together with the “Ninth Supplemental Resolution to the Master Resolution Establishing a Financing Program for Bonds, Other Public Securities and Credit Agreements Secured by and Payable from Revenue Deposited to the Credit of the State Highway Fund” (ninth supplement) prescribes the terms, provisions and covenants related to the issuance of refunding bonds in one or more series with such title and series designation as set forth in the ninth supplement so long as the issuance of such refunding bonds provides any of the following: (i) net present value debt service savings of not less than 3% of the principal amount of the refunded parity debt, (ii) long-term fixed rates for refunded variable rate bonds, (iii) alternative variable rate financing for refunded variable rate bonds, or (iv) any combination thereof.

Under the ninth supplement, the department representative, as defined in the ninth supplement, includes the chief financial officer of the Texas Department of Transportation (department) and the director, project finance, debt and strategic contracts division of the department, and is authorized to determine the method of sale of the bonds and shall further determine the price, interest rate or rates, and such terms of the bonds as prescribed in each award certificate in accordance with the ninth supplement.

Under the ninth supplement, each department representative is authorized to price all or a portion of the bonds with various interest rate and other structures including variable rate bonds, put bonds, index bonds and others, which may require the use of liquidity providers, tender agents, remarketing agents, calculation agents and other entities performing various functions in connection with any such interest rate structures.

The commission has determined that it is in the best interest of the state to authorize the department representative to enter into any memoranda and agreements (collectively, management agreements) as are deemed necessary or appropriate by the department representative to permit timely payment of obligations issued or incurred pursuant to the master resolution and the ninth supplement and to provide for the management and administration of the highway fund and any other funds and accounts established and maintained in connection with or related to such obligations.

The commission understands that an official statement, remarketing memorandum or other offering document (collectively, official statement) will be distributed in connection with the public offering of the bonds or remarketed variable rate bonds, which official statement will include a description of the revenues deposited to the credit of the highway fund and other security and payment provisions related to the bonds or remarketed variable rate bonds.

IT IS THEREFORE ORDERED by the commission that the chairman of the commission and the executive director of the department are authorized and directed to execute and deliver each series of the bonds and such other documents and certificates as are necessary or appropriate to carry out the intent of this order and each department representative, on behalf of the commission, is authorized and directed to execute and deliver the ninth supplement, any bond purchase contract, award certificate, paying agent/registrars agreement, escrow agreement and similar or other agreements necessary or appropriate for any series of the bonds (collectively, program documents), in the form approved by the department representative or in substantially the form previously approved by the commission in connection with the parity debt, as applicable, with such changes as the department representative, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of the program documents.

IT IS FURTHER ORDERED by the commission that each department representative, on behalf of the commission, is authorized and directed to execute and deliver any remarketing agreement, liquidity agreement, continuing covenant agreement, purchase agreement, tender agent agreement, calculation agent agreement, and similar or other agreements necessary or appropriate for any variable rate bonds (collectively, variable rate documents), and the variable rate documents in the form approved by the department representative or in substantially the form previously approved by the commission in connection with the parity debt are approved, with such changes as the department representative executing the same may approve, such approval to be conclusively evidenced by execution of the variable rate documents.

IT IS FURTHER ORDERED by the commission that the department representative is authorized to execute and deliver such management agreements as are deemed necessary or appropriate to permit timely payment of obligations issued or incurred pursuant to the ninth supplement or the cash defeasance or redemption of a portion of the outstanding parity debt and to provide for the management and administration of the highway fund and any other funds and accounts established and maintained in connection with or related to such obligations.

IT IS FURTHER ORDERED by the commission that the chief financial officer of the department is hereby designated an authorized representative for purposes of the master resolution.

IT IS FURTHER ORDERED by the commission that an official statement is approved for distribution in connection with the public offering and sale of each series of bonds or remarketed variable rate bonds in such form as a department representative, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of such official statement. Each department representative, on behalf of the commission, is authorized to execute the official statement for each series of bonds or remarketed variable rate bonds and to deem final the preliminary form of the official statement for purposes of Rule 15c2-12 of the Securities and Exchange Commission (rule) with such omissions as permitted by the rule.

IT IS FURTHER ORDERED by the commission that any other agreements, instruments or ancillary documents necessary or appropriate in connection with the issuance of a series of the bonds, the conversion or remarketing of outstanding parity debt issued as variable rate bonds, and the performance of the terms and conditions of any program document or variable rate document are hereby approved, and each member of the commission, each department representative, the executive director of the department and general counsel of the department, on behalf of the commission, are authorized and directed to perform all such acts and execute such documents, certificates, notices and applications, including any applications and submissions to the Bond Review Board, if necessary, and execution of certifications to the underwriters, the Attorney General, the comptroller, the Bond Review Board and other parties, as may be necessary or appropriate to carry out the intent of this order and other orders of the commission relating to the state highway fund revenue financing program established by the master resolution, the program documents and the variable rate documents, if any.

d. Texas Mobility Fund Bonds

Consider the approval of a Thirteenth Supplemental Resolution authorizing the issuance of Texas Mobility Fund refunding obligations in one or more series, the approval of documents relating to the issuance of such obligations and the refunding of certain outstanding Texas Mobility Fund revenue bonds, and the designation of department officials to take all actions necessary to deliver the obligations (MO)

This item was presented by Project Finance, Debt & Strategic Contracts Division Director Ben Asher. Commissioner Austin made a motion, which was seconded by Commissioner Ryan, and the commission approved the following minute order by a vote of 5 - 0.

114817
PFD

Pursuant to Minute Order 110081, dated May 4, 2005, the Texas Transportation Commission (commission) approved a "Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program," as subsequently amended by the first amendment, second amendment and third

amendment (master resolution), to establish a revenue financing program (mobility fund revenue financing program) pursuant to which the commission may issue bonds, notes and other public securities and execute credit agreements secured by and payable from a pledge of and lien on all or part of the moneys in the Texas Mobility Fund (fund). Any terms not otherwise defined herein have the meaning given in the thirteenth supplement, as hereinafter defined.

Section 49-k, Article III of the Texas Constitution (constitutional provision), Transportation Code, Subchapter M of Chapter 201 and other applicable law, including Government Code, Chapters 1207 and 1371, authorize the commission to issue bonds, notes and other public securities (bonds or obligations) secured by all or part of the money in the fund to: 1) pay all or part of the costs of constructing, reconstructing, acquiring, and expanding state highways; 2) provide participation by the state in the payment of part of the costs of constructing and providing publicly owned toll roads and other public transportation projects that are determined by the commission to be in the best interests of the state; 3) create debt service accounts; 4) pay interest on obligations for a period of not longer than two years; 5) refund or cancel outstanding obligations; and 6) pay the costs or expense of the issuance of the bonds.

Transportation Code, Chapter 201, Subchapter M, provides that the commission may guarantee on behalf of the state the payment of any obligations and credit agreements secured by the fund by pledging the full faith and credit of the state to the payment of the obligations and credit agreements in the event the revenue and money dedicated to the fund and on deposit in the fund under the constitutional provision, are insufficient for that purpose.

The commission has determined it to be in the best interest of the state and the fund to issue additional obligations, on parity with the previously issued outstanding parity debt, secured by revenues and money dedicated to the fund and on deposit in the fund under the constitutional provision and by a pledge of the full faith and credit of the state to refund all or part of the outstanding parity debt: (i) for savings to the state, (ii) to refund outstanding variable rate obligations, and/or (iii) to renew or replace credit agreements relating to variable rate obligations.

The master resolution, together with the "Thirteenth Supplemental Resolution to the Master Resolution Establishing the Texas Transportation Commission Mobility Fund Revenue Financing Program" (thirteenth supplement), prescribes the terms, provisions and covenants related to the issuance of additional bonds in one or more series with such title and series designation as set forth in the thirteenth supplement so long as the issuance of such refunding bonds results in any of the following: (i) provides a net present value debt service savings of not less than 3% of the outstanding parity debt refunded, (ii) provides long-term fixed rates for refunded variable rate bonds, (iii) other variable rate financing for refunded variable rate bonds or (iv) any combination thereof.

Under the thirteenth supplement, the department representative, as defined in the thirteenth supplement, includes the chief financial officer of the Texas Department of Transportation (department) and the director, project finance, debt and strategic contracts division of the department, is authorized to determine the method of sale of the obligations and shall further determine the price, interest rate or rates and such

terms of the obligations as prescribed in each award certificate in accordance with the thirteenth supplement.

Under the thirteenth supplement, each department representative is authorized to price all or a portion of the bonds with various interest rate and other structures including variable rate bonds, put bonds, index bonds and others, which may require the use of liquidity provider(s), tender agents, remarking agents, calculation agents and other entities performing various functions in connection with any such interest rate structures.

The commission has also determined it to be in the best interest of the state to renew or replace the existing liquidity agreement in connection with the Series 2006-B Bonds pursuant to such terms and provision as approved by the department representative.

The commission understands that a preliminary official statement and final official statement will be distributed in connection with the public offering of the bonds, which preliminary official statement and official statement will include a description of the general obligation pledge of the state's full faith and credit in the event the revenue and money dedicated to and on deposit in the fund are insufficient for payments due on the bonds and any related credit agreements.

IT IS THEREFORE ORDERED by the commission that the chairman of the commission and the executive director of the department are authorized and directed to execute and deliver each series of the bonds and such other documents and certificates necessary to carry out the intent of this order and each department representative, on behalf of the commission, is authorized and directed to execute and deliver the thirteenth supplement, any bond purchase contract, award certificate, paying agent/registrar agreement and escrow agreement and similar agreements and any renewal or replacement documents for the existing liquidity facility necessary for any series of the bonds (collectively, program documents), in the form approved by the department representative or in substantially the form previously approved by the commission in connection with the outstanding parity debt, as applicable, with such changes as the department representative, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of the program documents.

IT IS FURTHER ORDERED by the commission that each department representative, on behalf of the commission, is authorized and directed to execute and deliver any remarketing agreement, liquidity agreement, tender agent agreement and similar agreements necessary for any variable rate bonds (collectively, variable rate documents), and the variable rate documents and similar agreements in connection with any variable rate bonds are approved in substantially the form previously approved by the commission in connection with the outstanding parity debt, as defined in the thirteenth supplement, with such changes as the department representative executing the same may approve, such approval to be conclusively evidenced by execution of the variable rate documents.

IT IS FURTHER ORDERED by the commission that the chief financial officer of the department is hereby designated an authorized representative for purposes of the master resolution.

IT IS FURTHER ORDERED by the commission that a pledge of the full faith and credit of the state be utilized in connection with the bonds and the payment obligations of the commission under any credit agreements.

IT IS FURTHER ORDERED by the commission that the preliminary official statement and the official statement are approved for distribution in connection with the public offering and sale of each series of refunding obligations in such form as a department representative, on behalf of the commission, executing the same may approve, such approval to be conclusively evidenced by execution of such official statement. Each department representative, on behalf of the commission, is authorized to deem any preliminary official statement and official statement final for purposes of rule 15c2-12 of the Securities and Exchange Commission (rule) with such omissions as permitted by the rule.

IT IS FURTHER ORDERED by the commission that any necessary ancillary documents in connection with the issuance of a series of the bonds, the renewal or replacement of the existing liquidity agreement, the program documents and the variable rate documents, if any, are hereby approved, and each member of the commission, each department representative, the executive director of the department and general counsel of the department, on behalf of the commission, are authorized and directed to perform all such acts and execute such documents, certificates, notices and applications, including any applications and submissions to the Bond Review Board, if necessary, and execution of certifications to the underwriters, the Attorney General, the Texas Comptroller of Public Accounts, the Bond Review Board and other parties, as may be necessary to carry out the intent of this order and other orders of the commission relating to the general obligation financing program established by the master resolution, the thirteenth supplement, the program documents and the variable rate documents, if any.

e. Quarterly Investment Report (MO)

This item was presented by Project Finance, Debt & Strategic Contracts Division Director Ben Asher. Commissioner Austin made a motion, which was seconded by Commissioner Bugg, and the commission approved the following minute order by a vote of 5 - 0.

114818
PFD

Government Code, Chapter 2256 (Public Funds Investment Act) authorizes the Texas Transportation Commission (commission) to purchase, sell, and invest its funds and funds under its control in investments that are in compliance with investment policies approved by the commission.

Government Code §2256.005 requires the commission to adopt a written investment policy regarding the investment of its funds and funds under its control, including a separate written investment strategy for each of the funds or group of funds under its control, and to designate one or more officers or employees of the Texas Department of Transportation (department) as investment officer to be responsible for the investment of funds consistent with the investment policy.

In Minute Order 108970, dated July 25, 2002, the commission approved and adopted a written investment policy and investment strategy applicable to funds of the commission relating to the Central Texas Turnpike System held by Bank One, N.A., (in such capacity with its successors, currently Bank of New York Mellon), as Trustee under the Indenture of Trust dated July 15, 2002, between the commission and the trustee. In Minute Order 114360, dated August 27, 2015, the commission approved and adopted a written investment policy and investment strategy applicable to funds in the prepaid TxTag custodial account under the Master Lockbox and Custodial Account Agreement by and between the Bank of New York Mellon Trust Company, N.A., as custodian, and the department. Pursuant to Government Code §2256.005(e) and Section 20 of the investment policy, the investment policy and investment strategies of the commission have been reviewed and revised annually by minute order since 2003, most recently by Minute Order 114706, dated August 25, 2016, which includes a written investment strategy applicable to funds related to obligations issued for the IH 35E Project under a Trust Agreement by and between Amegy Bank, a Division of ZB, National Association, as trustee, and the department.

The commission has designated the department's chief financial officer and the director, Project Finance, Debt & Strategic Contracts Division as investment officers. The chief financial officer is primarily responsible for the execution of investment strategy and activities on a daily basis. However, in his/her absence, the director, Project Finance, Debt & Strategic Contracts Division, or a designee of any of the investment officers (as evidenced in a delegation memorandum) shall perform these duties and responsibilities.

Government Code §2256.023 requires the designated investment officer to prepare and submit to the commission and the executive director, not less than quarterly, a written report of investment transactions for all funds covered by the Public Funds Investment Act for the preceding reporting period. The report must describe in detail the investment position of the department on the date of the report, and must be prepared jointly and signed by each investment officer.

Section 9.0 of the investment policy requires the investment officer to prepare and submit to each member of the commission and the executive director of the department an investment report on no less than a quarterly basis. The report must be prepared in accordance with the requirements of that section, including containing sufficient information to provide for a comprehensive review of investment activity and current investment instruments and performance for the reporting period. A quarterly investment report for the department for the period ending November 30, 2016, attached as Exhibit A, has been prepared in accordance with Government Code §2256.023 and Section 9.0 of the investment policy.

IT IS THEREFORE ORDERED by the commission that the quarterly investment report attached as Exhibit A is accepted.

Note: Exhibit A is on file with the commission chief clerk.

ITEM 10. Texas Mobility Fund

a. Calhoun County - Calhoun Port Authority - Consider approval of a grant in the amount of up to \$76,962 to Calhoun Port Authority for participation by the state in the payment of a portion of the costs of construction of a public transportation project to provide an access driveway and drainage improvements on the highway right of way at the south end of FM 1593 (2.5 miles south of the intersection of FM 1593 and SH 35) in Calhoun County, Texas, with funding from the Texas Mobility Fund established pursuant to Section 49-k, Article III, Texas Constitution (MO)

This item was presented by Maritime Division Director Dan Harmon. Commissioner Bugg made a motion, which was seconded by Commissioner Ryan, and the commission approved the following minute order by a vote of 5 - 0.

114819
MRD

Article III, Section 49-k of the Texas constitution (constitutional provision) created the Texas Mobility Fund (fund) in the state treasury and provides that the fund shall be administered by the Texas Transportation Commission (commission) as a revolving fund to provide a method of financing the construction, reconstruction, acquisition, and expansion of state highways and to provide participation by the state in the payment of a portion of the costs of constructing and providing publicly-owned toll roads and other public transportation projects, in accordance with the procedures, standards and limitations established by law.

The Texas Legislature implemented the authority granted by this constitutional provision in Transportation Code, Chapter 201, Subchapter M (enabling act). Transportation Code §201.943 provides that the commission, by order, may issue obligations, including Texas Mobility Fund general obligation bonds, secured by and payable from a pledge of and lien on all or part of the money in the fund.

The Calhoun Port Authority (Port) has submitted a request to the Texas Department of Transportation (department) for state participation in the form of a grant of funds in the Texas Mobility Fund in the amount of \$76,962 to pay a portion of the costs of construction of a public transportation project selected by the Port Authority Advisory Committee to provide an access driveway and drainage improvements on the highway right of way at the south end of FM 1593 (2.5 miles south of the intersection of FM 1593 and SH 35) in Calhoun County, Texas, including: (1) the installation of concrete junction boxes and extension of existing concrete and steel drainage culverts into new concrete junction boxes, and (2) the construction of a driveway from the end of the existing FM 1593 pavement to the end of the state right of way (project).

By Minute Order No. 114491 on February 25, 2016, the commission updated the Unified Transportation Plan and allocated Category 3 money from the fund for the project. The department recommends that the state participation in the development and delivery of the project be provided in the form of a grant to the Port from the fund other than the proceeds of obligations issued under the enabling act.

NOW, THEREFORE, IT IS DETERMINED that the request for a grant from the fund submitted by the Calhoun Port Authority meets the eligibility requirements of the constitutional provision, and the commission approves the request for funding from the fund in the amount of \$76,962 in the form of a grant of money in the fund other

than the proceeds of obligations issued under the enabling act, to be used for the purposes described herein, and directs the executive director to implement the actions necessary to effect the purposes of this minute order.

b. Jefferson County - Port of Port Arthur - Consider approval of a grant in the amount of up to \$1,237,500 to the Port of Port Arthur for participation by the state in the payment of a portion of the costs of construction of a public transportation project to widen Lakeshore Drive in Jefferson County, Texas, with funding from the Texas Mobility Fund established pursuant to Section 49-k, Article III, Texas Constitution (MO)

This item was presented by Maritime Division Director Dan Harmon. Commissioner Ryan made a motion, which was seconded by Commissioner Bugg, and the commission approved the following minute order by a vote of 5 - 0.

114820
MRD

Article III, Section 49-k of the Texas constitution (constitutional provision) created the Texas Mobility Fund (fund) in the state treasury and provides that the fund shall be administered by the Texas Transportation Commission (commission) as a revolving fund to provide a method of financing the construction, reconstruction, acquisition, and expansion of state highways and to provide participation by the state in the payment of a portion of the costs of constructing and providing publicly-owned toll roads and other public transportation projects, in accordance with the procedures, standards and limitations established by law.

The Texas Legislature implemented the authority granted by this constitutional provision in Transportation Code, Chapter 201, Subchapter M (enabling act). Transportation Code §201.943 provides that the commission, by order, may issue obligations, including Texas Mobility Fund general obligation bonds, secured by and payable from a pledge of and lien on all or part of the money in the fund.

The Port of Port Arthur (Port) has submitted a request to the Texas Department of Transportation (department) for state participation in the form of a grant of funds in the Texas Mobility Fund in the amount of \$1,237,500 to pay a portion of the costs of construction of a public transportation project selected by the Port Authority Advisory Committee to (1) widen Lakeshore Drive to three lanes from the port entrance to Houston Avenue; (2) add railroad crossings to accommodate the widening; (3) improve drainage as needed; (4) add new signage to guide traffic; and (5) modify existing cyclone fences for two way travel, in Jefferson County, Texas (project).

By Minute Order No. 114491 on February 25, 2016, the commission updated the Unified Transportation Plan and allocated Category 3 money from the fund for the project. The department recommends that the state participation in the development and delivery of the project be provided in the form of a grant to the Port of money in the fund other than the proceeds of obligations issued under the enabling act.

NOW, THEREFORE, IT IS DETERMINED that the request for a grant from the fund submitted by the Port of Port Arthur meets the eligibility requirements of the constitutional provision, and the commission approves the request for funding from the fund in the amount of \$1,237,500 in the form of a grant of money in the fund other than

the proceeds of obligations issued under the enabling act, to be used for the purposes described herein, and directs the executive director to implement the actions necessary to effect the purposes of this minute order.

c. **Orange County** - Orange County - Consider approval of a grant in the amount of up to \$550,618 to Orange County for participation by the state in the payment of a portion of the costs of construction of a public transportation project to widen Old Highway 90 and to upgrade the intersections at the I-10 frontage road and at the Port Access Road in Orange County, Texas, with funding from the Texas Mobility Fund established pursuant to Section 49-k, Article III, Texas Constitution (MO)

This item was presented by Maritime Division Director Dan Harmon. Commissioner Ryan made a motion, which was seconded by Commissioner Vandergriff, and the commission approved the following minute order by a vote of 5 - 0.

114821
MRD

Article III, Section 49-k of the Texas constitution (constitutional provision) created the Texas Mobility Fund (fund) in the state treasury and provides that the fund shall be administered by the Texas Transportation Commission (commission) as a revolving fund to provide a method of financing the construction, reconstruction, acquisition, and expansion of state highways and to provide participation by the state in the payment of a portion of the costs of constructing and providing publicly-owned toll roads and other public transportation projects, in accordance with the procedures, standards and limitations established by law.

The Texas Legislature implemented the authority granted by this constitutional provision in Transportation Code, Chapter 201, Subchapter M (enabling act). Transportation Code §201.943 provides that the commission, by order, may issue obligations, including Texas Mobility Fund general obligation bonds, secured by and payable from a pledge of and lien on all or part of the money in the fund.

Orange County, Texas (Orange County) has submitted a request to the Texas Department of Transportation (department) for state participation in the form of a grant of funds in the Texas Mobility Fund in the amount of \$550,618 to pay a portion of the costs of construction of a public transportation project selected by the Port Authority Advisory Committee to widen Old Highway 90 to provide an additional lane of traffic for Old Highway 90 southbound from I-10 to Port Access Road and to upgrade the intersections at the I-10 frontage road and at the Port Access Road in Orange County, Texas (project).

By Minute Order No. 114491 on February 25, 2016, the commission updated the Unified Transportation Plan and allocated Category 3 money from the fund for the project. The department recommends that the state participation in the project be provided in the form of a grant to Orange County from the fund other than the proceeds of obligations issued under the enabling act, to be used for the purposes described herein, and directs the executive director to implement the actions necessary to effect the purposes of this minute order.

NOW, THEREFORE, IT IS DETERMINED that the request for a grant from the fund submitted by Orange County, Texas meets the eligibility requirements of the constitutional provision, enabling act, and the plan, and the commission approves the request for funding from the fund in the amount of \$550,618 in the form of a grant of money in the fund other than the proceeds of obligations issued under the enabling act, to be used for the purposes described herein, and directs the executive director to implement the actions necessary to effect the purposes of this minute order.

ITEM 11. Contested Case

Travis County - CKORP, LLC v. Texas Department of Transportation - Consider action on proposal for decision by administrative law judge concerning TxDOT's decision to debar CKORP for a period of two years, final order (MO)

This item was presented by Associate General Counsel James Kirk. The commission also heard remarks from Carson Fisk, attorney for CKORP, LLC. Commissioner Bugg made a motion, which was seconded by Commissioner Ryan, and the commission approved the following minute order by a vote of 5 - 0.

114822
GCD

On January 26, 2017, the Texas Transportation Commission (commission) considered the staff's proposed debarment of CKORP, LLC (CKORP) for a period of two years as sanctions for CKORP's default on a highway improvement contract. CKORP requested a contested case hearing and the matter was referred to the State Office of Administrative Hearings. The Administrative Law Judge concluded in the proposal for decision that TxDOT's decision to debar CKORP for two years is a reasonable sanction. Under the Administrative Procedure Act and the commission's rules, the matter is now appropriate for entry of a final order by the commission.

IT IS THEREFORE ORDERED that the commission issues the attached order in the case of CKORP, L.L.C. v. Texas Department of Transportation, Docket No. 601-16-1160, and directs the executive director to take the necessary steps to implement this order.

Note: A copy of the order is on file with the commission chief clerk.

ITEM 12. Contracts

Consider the award or rejection of contracts for highway construction and maintenance, and construction and rehabilitation of buildings.

a. Construction of Highways and Other Transportation Facilities (MO)

This item was presented by Construction Division Director Tracy Cain. District Operations Director Randy Hopmann also came forward and answered questions from the commission. Commissioner Vandergriff made a motion, which was seconded by Commissioner Austin, and the commission approved the following minute order by a vote of 5 - 0.

114823
CST

Pursuant to Transportation Code, Chapter 223, Subchapter A, and Title 43, Texas Administrative Code, Chapter 9, Subchapter B, the Texas Department of

Transportation (department) solicited and received sealed competitive bid proposals for improvement of the State Highway System, which were publicly opened and read on January 4 and 5, 2017, as shown on Exhibit A.

Pursuant to cited code provisions highway improvement contract bids on a project may be accepted or rejected, but if accepted must be awarded to the lowest bidder.

An award is conditional in the event it is subject to Federal Highway Administration concurrence, third party funding or concurrence, and other conditions listed in the contract or an Exhibit to this order.

The department recommends that the Texas Transportation Commission (commission) respectively consider the award to the lowest bidder, reject or defer, as indicated, those highway and transportation enhancement building construction contracts identified on attached Exhibit A to this order.

IT IS THEREFORE ORDERED by the commission that the contracts described in Exhibit A, be and are hereby respectively awarded to the lowest bidder or rejected as indicated therein.

If a contractual requirement of award is not satisfied within the prescribed time limit, including any extension of time allowed by the executive director or the director's designee, by reason of the action or inaction of the successful low bidder on any contract, including, but not limited to, disadvantaged business/historically underutilized business participation, the contract is automatically in default and the executive director is authorized and directed to retain and deposit the related contract proposal guaranty to the credit of the State Highway Fund and to readvertise that project for competitive bids at the earliest practical subsequent date.

If a condition of award is not satisfied, including, but not limited to, reason of nonconcurrence of the Federal Highway Administration, the failure of a third party to fund or concur, or failure to meet other conditions in the contract or an Exhibit to this order, the respective award is voided and the department will return the bid guaranty.

Note: Exhibit A is on file with the commission chief clerk.

b. Highway Maintenance (MO)

This item was presented by Construction Division Director Tracy Cain. Commissioner Vandergriff made a motion, which was seconded by Commissioner Bugg, and the commission approved the following minute order by a vote of 5 - 0.

114824
MNT

Pursuant to Transportation Code, Chapter 223, Subchapter A, and Title 43, Texas Administrative Code, Chapter 9, Subchapter B, the Texas Department of Transportation (department) solicited and received sealed competitive bid proposals for maintenance of the State Highway System, which were publicly opened and read on January 4 and 5, 2017, as shown on Exhibit A.

Pursuant to cited code provisions highway maintenance contract bids on a project may be accepted or rejected, but if accepted must be awarded to the lowest bidder.

An award is conditional in the event it is subject to Federal Highway Administration concurrence, third party funding or concurrence, and other conditions listed in the contract or an Exhibit to this order.

The department recommends that the Texas Transportation Commission (commission) respectively consider the award to the lowest bidder, reject or defer, as indicated, those highway maintenance and department building construction contracts, identified on attached Exhibit A to this order.

IT IS THEREFORE ORDERED by the commission that the contracts described in Exhibit A be and are hereby respectively awarded to the lowest bidder or rejected or deferred, as indicated therein.

If a contractual requirement of award is not satisfied within the prescribed time limit, including any extension of time allowed by the executive director or the director's designee, by reason of the action or inaction of the successful low bidder on any contract, including, but not limited to, disadvantaged business/historically underutilized business participation, the contract is automatically in default and the executive director is authorized and directed to retain and deposit the related contract proposal guaranty to the credit of the State Highway Fund and to readvertise that project for competitive bids at the earliest practical subsequent date.

If a condition of award is not satisfied, including, but not limited to, reason of nonconcurrence of the Federal Highway Administration, the failure of a third party to fund or concur, or failure to meet other conditions in the contract or an Exhibit to this order, the respective award is voided and the department will return the bid guaranty.

Note: Exhibit A is on file with the commission chief clerk.

c. Construction and Rehabilitation of Buildings (MO)

This item was presented by Support Services Division Facilities Planning and Management Section Director Robin Cappello. Commissioner Bugg made a motion, which was seconded by Commissioner Ryan, and the commission approved the following minute order by a vote of 5 - 0.

114825
SSD

Pursuant to Transportation Code, Chapter 223, Subchapter A, and Title 43, Texas Administrative Code, Chapter 9, Subchapter B, the Texas Department of Transportation (department) solicited and received sealed competitive bid proposals for improvement of the State Highway System, which were publicly opened and read on January 3, 2017, as shown on Exhibit A.

Pursuant to cited code provisions highway improvement contract bids on a project may be accepted, rejected or deferred, but if accepted must be awarded to the lowest bidder.

An award is conditional in the event it is subject to Federal Highway Administration concurrence, third party funding or concurrence, and other conditions listed in the contract or an Exhibit to this order.

The department recommends that the Texas Transportation Commission (commission) respectively award to the lowest bidder, reject or deferred, as indicated,

those highway improvement and department building construction contracts identified on attached Exhibit A to this order.

IT IS THEREFORE ORDERED by the commission that the contracts described in Exhibit A, be awarded to the lowest bidder or rejected as indicated therein.

If a contractual requirement of award is not satisfied within the prescribed time limit, including any extension of time allowed by the executive director or the director's designee, by reason of the action or inaction of the successful low bidder on any contract, including, but not limited to, disadvantaged business/historically underutilized business participation, the contract is automatically in default and the executive director is authorized and directed to retain and deposit the related contract proposal guaranty to the credit of the State Highway Fund and to re-advertise that project for competitive bids at the earliest practical subsequent date.

If a condition of award is not satisfied, including, but not limited to, reason of nonconcurrence of the Federal Highway Administration, the failure of a third party to fund or concur, or failure to meet other conditions in the contract or an Exhibit to this order, the respective award is voided and the department will return the bid guaranty.

Note: Exhibit A is on file with the commission chief clerk.

ITEM 13. Eminent Domain Proceedings

Various Counties - Consider the authorization of the filing of condemnation proceedings to acquire real property by eminent domain for non-controlled and controlled access highways (MO)

This item was presented by Right of Way Division Director Gus Cannon. Commissioner Austin recused himself from voting on or participating in the item. Commissioner Ryan made a motion that the Texas Transportation Commission authorize the Texas Department of Transportation to use the power of eminent domain to acquire the properties described in the minute order set forth in the agenda for the current month for construction, reconstruction, maintenance, widening, straightening, or extending the highway facilities listed in the minute order as a part of the state highway system, and that the first record vote applies to all units of property to be condemned. The motion was seconded by Commissioner Bugg and the following minute order was approved by Chairman Lewis, Commissioner Vandergriff, Commissioner Bugg and Commissioner Ryan (a vote of 4 - 0).

114826
ROW

To facilitate the safety and movement of traffic and to preserve the financial investment of the public in its highways, the Texas Transportation Commission (commission) finds that public necessity requires the laying out, opening, constructing, reconstructing, maintaining, widening, straightening, extending, and operating of the highway facilities listed below as a part of the State Highway System (highway system).

As provided for by Transportation Code, Chapter 203, Subchapter D, including Sections 203.051, 203.052, and 203.054, the commission finds and determines that each of the parcels of land listed below, and more particularly described in the attached Exhibits (parcels), are necessary or convenient as a part of the highway system to be

constructed, reconstructed, maintained, widened, straightened, or extended (constructed or improved) and it is necessary to acquire fee simple title in the parcels or such lesser property interests as set forth in the attached Exhibits.

The commission finds and determines that the highway facilities to be constructed or improved on the parcels identified and listed below under "CONTROLLED ACCESS" are designated as a Controlled-Access Highway in accordance with Transportation Code, Section 203.031; and where there is adjoining real property remaining after acquisition of a parcel, the roads are to be constructed or improved as a part of the highway facility with the right of ingress and egress to or from the remaining real property adjoining the highway facility to be permitted or denied, as designated and set forth on each of the attached Exhibits A - EE. Where there is adjoining real property remaining after acquisition of a parcel with respect to the highway facilities to be constructed or improved on the parcels identified as listed below under "NON-CONTROLLED ACCESS," roads are to be constructed or improved as a part of the highway facility with the right of ingress and egress to or from the remaining real property adjoining the highway facility to be permitted or denied, as designated and set forth on each of the attached Exhibits 1 - 40, in accordance with Transportation Code, Sections 203.002 and 203.003.

The commission finds and determines that condemnation of the parcels is required.

IT IS THEREFORE ORDERED that the initiation of condemnation proceedings for the parcels is adopted and authorized by a single order for the parcels, and this first vote by the commission applies to all of the parcels.

IT IS FURTHER ORDERED that the executive director is hereby authorized to proceed to condemnation on the parcels and directed to transmit or cause to be transmitted this request of the commission to the Office of the Attorney General to file or cause to be filed against all owners, lienholders, and any owners of any other interests in the parcels, proceedings in condemnation to acquire in the name of and on behalf of the state, fee simple title to each parcel or such lesser estates or property interests as are more fully described in each of the attached Exhibits, save and excepting oil, gas, and sulfur, as provided by law, as follows:

CONTROLLED ACCESS

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Brazos	FM 2347	V	3138-01-026	7
Brazos	FM 2347	J	3138-01-026	14
Dallas	IH 35E	A	0442-02-144	1
Dallas	IH 35E	B	0442-02-144	3
Dallas	IH 35E	C	0442-02-144	4
Dallas	IH 35E	D	0442-02-144	6
Dallas	IH 35E	M	0442-02-144	8
Dallas	IH 35E	E	0442-02-144	9
Dallas	IH 35E	N	0442-02-144	10
Dallas	IH 35E	F	0442-02-144	30

CONTROLLED ACCESS (continued)

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Dallas	IH 35E	G	0442-02-144	31
Dallas	IH 20	K	2374-04-078	5
Galveston	IH 45	I	0500-04-120	15
Galveston	IH 45	L	0500-04-123	205A
Harris	IH 610	CC	0271-17-160	1
Harris	IH 610	DD	0271-17-160	3
Harris	IH 610	Y	0271-17-160	7
Harris	IH 610	Z	0271-17-160	8
Harris	IH 610	EE	0271-17-160	9
Hidalgo	US 83	H	0039-02-059	41
Randall	IH 27	O	0168-09-068	28
Randall	IH 27	P	0168-09-068	30
Randall	IH 27	Q	0168-09-068	31
Randall	IH 27	R	0168-09-068	32
Randall	IH 27	AA	0168-09-068	38
Randall	IH 27	BB	0168-09-068	40
Tarrant	IH 820E	S	0008-13-232	3,3E
Travis	IH 35	U	0015-13-393	6
Travis	IH 35	T	0015-13-393	9
Travis	IH 35	W	0015-13-393	11
Travis	IH 35	X	0015-13-393	16

NON-CONTROLLED ACCESS

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Bexar	US 281	10	0253-04-149	19
Bexar	US 281	36	0253-04-149	29
Bexar	US 281	11	0253-04-149	39
Bexar	US 281	20	0253-04-149	46,46E
Bexar	US 281	14	0253-04-149	51
Bexar	US 281	12	0253-04-149	55
Bexar	US 281	19	0253-04-149	57,57E
Bexar	US 281	37	0253-04-149	63E
Brazoria	SH 6	33	0192-03-019	101
Brazos	FM 2347	21	3138-01-026	2
Brazos	FM 2347	2	3138-01-026	3
Brazos	FM 2347	22	3138-01-026	4
Galveston	SH 146	35	0389-06-092	415
Galveston	SH 146	31	0389-06-092	500
Galveston	SH 146	32	0389-06-092	501
Galveston	SH 146	40	0389-06-096	402
Galveston	SH 146	29	0389-06-096	411
Harris	SH 146	23	0389-05-095	116

NON-CONTROLLED ACCESS (continued)

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Harris	SH 146	39	0389-05-095	121
Harris	SH 146	24	0389-05-095	140
Harris	SH 146	25	0389-05-095	202
Harris	SH 146	34	0389-05-095	203
Harris	SH 146	27	0389-05-095	204
Harris	SH 146	28	0389-05-095	206
Nacogdoches	FM 2609	9	2590-01-027	7
Navarro	SH 31	8	0162-11-002	17
Randall	SL 335	30	2635-02-030	34
Randall	SL 335	4	2635-03-019	5
Randall	SL 335	16	2635-03-019	10
Randall	SL 335	5	2635-03-019	12
Randall	SL 335	6	2635-03-019	13
Randall	SL 335	17	2635-03-019	14
Randall	SL 335	18	2635-03-019	15
Randall	SL 335	38	2635-03-019	18
Rockwall	FM 3549	1	1015-01-077	14
Rockwall	FM 3549	7	1015-01-077	23
Rockwall	FM 3549	15	1015-01-077	42
Rockwall	FM 3549	3	1015-01-077	56
Smith	FM 2493	13	0191-03-082	35
Waller	FM 1774	26	1400-03-008	11

Note: Exhibits A - EE and 1 - 40 are on file with the commission chief clerk.

ITEM 14. Routine Minute Orders and Reports

This item was presented by Deputy Executive Director Marc Williams. Commissioner Vandergriff made a motion, which was seconded by Commissioner Austin, and the commission approved the following minute orders by a vote of 5 - 0.

a. Donations to the Department

Various Districts - Consider the acknowledgment of donations made to the department to include: (a) donations in any form, including realty, personalty, money, materials, or services, which are made to the department for the purpose of carrying out its functions and duties; and (b) donations from landowners, with land adjacent to a highway that is part of the state highway system, to construct an improvement on the highway right-of-way that is directly related to improving access to or from the owner's land (MO)

114827
CSD

Transportation Code, §201.206, authorizes the Texas Department of Transportation (department) to accept a donation in any form, including realty, personalty, money, materials, and services, for the purpose of carrying out its functions and duties. Government Code, Chapter 575, requires the governing board of a state

agency to acknowledge the acceptance of a donation valued at \$500 or more by majority vote at an open meeting, not later than the 90th day after the date the donation is accepted. It also prohibits a state agency from accepting a donation from a person who is a party to a contested case before the agency until the 30th day after the date the decision in the case becomes final.

Transportation Code, §223.049 authorizes the department to contract with an owner of land adjacent to a highway that is part of the state highway system to construct an improvement on the highway right of way that is directly related to improving access to or from the owner's land.

The Texas Transportation Commission (commission) has adopted 43 TAC §§1.500-1.506, which relate to the department's acceptance of donations. Section 1.503 authorizes the executive director to approve acceptance of donations to the department and requires that donations valued at \$500 or more must be acknowledged by order of the commission not later than the 90th day after the date the donation is accepted by the department. It further prohibits acceptance of a gift or donation when the donor is subject to department regulation or oversight or when the donor is interested in or likely to become interested in any contract, purchase, payment, or claim with or against the department, except as provided by that section. It also provides that the executive director may approve the acceptance of a donation, notwithstanding the foregoing proscriptions in the rules, if the executive director determines that acceptance would provide a significant public benefit and would not influence or reasonably appear to influence the department in the performance of its duties.

The executive director found that the donations identified on the attached Exhibit A were in compliance with the provisions of 43 TAC §§1.500-1.506, Government Code, Chapter 575, Transportation Code, §201.206, and Transportation Code, §223.049.

IT IS THEREFORE ORDERED by the commission that it acknowledges the acceptance of the donations identified on the attached Exhibit A.

Note: Exhibit A is on file with the commission chief clerk.

b. Real Estate Dispositions

(1) Callahan County - FM 18 at Wise Street in Clyde - Consider the quitclaim of right of way to the abutting landowners (MO)

114828
ROW

In Clyde, CALLAHAN COUNTY, on FARM TO MARKET ROAD 18, the state of Texas used certain land for highway purposes to which there is no record title.

The land (Tract 1), RCSJ 0006-11-023, described in Exhibit A, is no longer needed for a state highway purpose.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the quitclaim of property to which there is no record title to abutting property owners at the request of the county or municipality.

James Douglas Jones and Christopher Leon Jones are the abutting landowners and have requested to acquire Tract 1.

The City of Clyde has requested that Tract 1 be quitclaimed to the abutting landowners.

It is the opinion of the commission that it is proper and correct that the state quitclaim its right and interest in Tract 1 to the abutting landowners.

IT IS THEREFORE ORDERED by the commission that Tract 1 is no longer needed for a state highway purpose and recommends, subject to approval by the attorney general, that the governor of Texas execute a proper instrument quitclaiming all of the state's right and interest in Tract 1 to James Douglas Jones and Christopher Leon Jones.

Note: Exhibit A is on file with the commission chief clerk.

(2) Ector County - I-20 at South Murphy Street in Odessa - Consider the sale of a drainage easement (MO)

114829
ROW

In Odessa, ECTOR COUNTY, on INTERSTATE 20, the state of Texas acquired an easement interest for highway drainage purposes by instrument recorded in Volume 456, Page 203, Deed Records of Ector County, Texas.

A portion of the easement (Tract 5A-E), RCSJ 0005-13-058, shown on Exhibit A, is no longer needed for a state highway purpose.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the sale of any interest in real property acquired and no longer needed for a state highway purpose.

Corchem Manufacturing, Inc., is the owner of the fee in the property and has requested to purchase Tract 5A-E for \$2,120.

The commission finds \$2,120 to be a fair and reasonable value for the state's right and interest in Tract 5A-E.

IT IS THEREFORE ORDERED by the commission that Tract 5A-E is no longer needed for a state highway purpose and that the value is less than \$10,000. The commission authorizes the executive director to execute a proper instrument releasing all of the state's right and interest in Tract 5A-E to Corchem Manufacturing, Inc., for \$2,120.

Note: Exhibit A is on file with the commission chief clerk.

(3) Harris County - SH 3, west side, south of Fuqua Street in Houston - Consider the sale of right of way to the abutting landowner (MO)

114830
ROW

In Houston, HARRIS COUNTY, on STATE HIGHWAY 3, the state of Texas acquired certain land for highway purposes by instruments recorded under Clerk's File Numbers H266668 and H273306, Official Public Records of Real Property, Harris County, Texas.

A portion of the land (Tract 1), RCSJ 0051-02-103, as shown on Exhibit A, is no longer needed for a state highway purpose.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the sale of any interest in real property acquired and no longer needed for a state highway purpose.

Sprint Management Services, L.P., a Texas limited partnership, is the abutting landowner and has requested to purchase Tract 1 for \$40,495.

The commission finds \$40,495 to be a fair and reasonable value of the state's right, title, and interest in Tract 1.

IT IS THEREFORE ORDERED by the commission that Tract 1 is no longer needed for a state highway purpose. The commission recommends, subject to approval by the attorney general, that the governor of Texas execute a proper instrument conveying all of the state's right, title, and interest in

Tract 1 to Sprint Management Services, L.P., a Texas limited partnership, for \$40,495; SAVE AND EXCEPT, however, there is excepted and reserved herefrom all of the state's right, title, and interest, if any, in and to all of the oil, gas, sulphur, and other minerals, of every kind and character, in, on, under, and that may be produced from the land.

Note: Exhibit A is on file with the commission chief clerk.

(4) Hays County - SH 80, from RM 12 to SL 82, and FM 2439, from RM 12 to Moore Street, in San Marcos - Consider removal from the system, transfer of control, jurisdiction, and maintenance to the City of San Marcos (city), and transfer of right of way to the city (MO)

114831
ROW

In San Marcos, HAYS COUNTY, on STATE HIGHWAY 80 (SH 80), and FARM TO MARKET ROAD 2439 (FM 2439), the state of Texas acquired certain land for highway purposes by various instruments, and the state used other land to which there is no title in the state's name.

Pursuant to Texas Transportation Code, §§201.103 and 221.001, the executive director has recommended, as shown on Exhibit A, that a segment of SH 80, from Wonder World Drive (RM 12) southeastward along old RM 12, Smith Street, Moore Street, and W. Hopkins Street to SL 82, a distance of approximately 3.2 miles, and a segment of FM 2439, from RM 12 northeastward along W. Hopkins Street to Moore Street, a distance of approximately 1.6 miles, be removed from the state highway system, and that control, jurisdiction, and maintenance be transferred to the City of San Marcos (city).

Portions of the right of way, Tract 3 on SH 80, RCSJ 0285-03-054, from RM 12, described in Exhibit B, to W. Hopkins Street, and Tract 5 on FM 2439, RCSJ 2293-01-028, from Dixon Street to Guadalupe Street, described in Exhibit C, are no longer needed for a state highway purpose.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the transfer of highway right of way to a governmental entity that has assumed jurisdiction, control, and maintenance of the right of way for public road purposes.

The city has assumed jurisdiction, control, and maintenance of Tract 3 and Tract 5 and has requested to acquire Tract 3 and Tract 5 to continue in use for public road purposes.

IT IS THEREFORE ORDERED by the commission that a segment of SH 80 is removed from the system from RM 12 southeastward along old RM 12, Smith Street,

Moore Street, and W. Hopkins Street to SL 82, a distance of approximately 3.2 miles, and a segment of FM 2439 is removed from the state highway system from RM 12 northeastward along W. Hopkins Street to Moore Street, a distance of approximately 1.6 miles, and control, jurisdiction, and maintenance are transferred to the city.

IT IS ALSO ORDERED by the commission that Tract 3 and Tract 5 are no longer needed for a state highway purpose. The commission recommends, subject to approval by the attorney general, that the governor of Texas execute a proper instrument transferring all of the state's right, title, and interest in

Tract 3 and Tract 5 to the City of San Marcos, Texas; SAVE AND EXCEPT, however, there is excepted and reserved herefrom all of the state's rights, titles and interests, if any, in and to all of the oil, gas, sulphur, and other minerals, of every kind and character, in, on, under, and that may be produced from the land.

IT IS FURTHER ORDERED that if Tract 3 and Tract 5 cease to be used for public road purposes, the land shall immediately and automatically revert to the state.

Note: Exhibits A - C are on file with the commission chief clerk.

(5) Hunt County - I-30, east side, north of Centerpoint Lane in Greenville - Consider the sale of a drainage easement (MO)

114832
ROW

In Greenville, HUNT COUNTY, on INTERSTATE 30, the state of Texas acquired an easement interest in certain land for highway drainage purposes by instrument recorded in Volume 527, Page 574, Deed Records of Hunt County, Texas.

A portion of the land (Tract 2), RCSJ 0009-13-157, described in Exhibit A, is no longer needed for a state highway purpose.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the sale of any interest in real property no longer needed for a state highway purpose.

III to I Greenville TC, LP, a Texas limited partnership, is the owner of the fee in the property and has requested to purchase Tract 2 for \$73,122.

The commission finds \$73,122 to be a fair and reasonable value of the state's right and interest in Tract 2.

IT IS THEREFORE ORDERED by the commission that Tract 2 is no longer needed for a state highway purpose and recommends, subject to approval of the attorney general, that the governor of Texas execute a proper instrument releasing the state's right and interest in Tract 2 to III to I Greenville TC, LP, a Texas limited partnership, for \$73,122.

Note: Exhibit A is on file with the commission chief clerk.

(6) Live Oak County - US 59 at Fannin Street in George West - Consider the sale of right of way to the abutting landowner (MO)

114833
ROW

In George West, LIVE OAK COUNTY, on US HIGHWAY 59, the state of Texas acquired certain land for highway purposes by instrument recorded in Volume 51, Page 484, Deed Records of Live Oak County, Texas.

A portion of the land (Tract 1), RCSJ 0447-01-067, described in Exhibit A, is no longer needed for highway purposes.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the sale of any interest in real property acquired and no longer needed for a state highway purpose.

Hutton Team, LLC, is the abutting landowner and has requested to purchase Tract 1 for \$29,693.

The commission finds \$29,693 to be a fair and reasonable value of the state's right, title, and interest in Tract 1.

IT IS THEREFORE ORDERED by the commission that Tract 1 is no longer needed for a state highway purpose. The commission recommends, subject to approval by the attorney general, that the governor of Texas execute a proper instrument conveying all of the state's right, title, and interest in

Tract 1 to Hutton Team, LLC, for \$29,693; SAVE AND EXCEPT, however, there is excepted and reserved herefrom all of the state's right, title, and interest, if any, in and to all of the oil, gas, sulphur, and other minerals, of every kind and character, in, on, under, and that may be produced from the land.

Note: Exhibit A is on file with the commission chief clerk.

(7) Palo Pinto County - FM 2372 in Palo Pinto Mountains State Park - Consider the removal from the system and redesignation of a segment of the highway, transfer of control, jurisdiction, and maintenance to Texas Parks and Wildlife Department (TPWD), and transfer of right of way to TPWD (MO)

114834
ROW

In PALO PINTO COUNTY, on FARM TO MARKET ROAD 2372, the state of Texas acquired certain land for highway purposes by various instruments recorded in the Deed Records of Palo Pinto County, Texas.

Pursuant to Texas Transportation Code, §§201.103 and 221.001, the executive director has recommended, as shown in Exhibit A, that a segment of FM 2372 be removed from the state highway system within Palo Pinto Mountains State Park, from its western terminus near Tucker Lake to the eastern park boundary at approximate Highway Station 90.04+72, a distance of 2.538 miles, and that control, jurisdiction, and maintenance be transferred to Texas Parks and Wildlife Department (TPWD). The executive director has also recommended the redesignation of this segment as Park Road 77.

A portion of the land (Tract 15-02), described in Exhibit B, is no longer needed for state highway purposes.

In accordance with Texas Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may waive payment for real property transferred to a governmental entity if the governmental entity assumes control, jurisdiction, and maintenance of the right of way for public road purposes.

TPWD has agreed to assume control, jurisdiction, and maintenance and has requested that

Tract 15-02 be transferred to TPWD.

IT IS THEREFORE ORDERED by the commission that: 1) a segment of FM 2372 is removed from the state highway system within Palo Pinto Mountains State Park, from its western terminus near Tucker Lake to the eastern park boundary at approximate Highway Station 90.04+72, a distance of 2.538 miles; and 2) this segment is redesignated as Park Road 77.

FURTHER, IT IS ORDERED by the commission that Tract 15-02 is no longer needed for a state highway purpose. The commission recommends, subject to approval by the attorney general, that the governor of Texas execute a proper instrument transferring all of the state's right, title, and interest in Tract 15-02 to Texas Parks and Wildlife Department to remain in use for public road purposes; SAVE AND EXCEPT, however, there is excepted and reserved herefrom all of the state's rights, titles, and interests, if any, in and to all of the oil, gas, sulphur, and other minerals, of every kind and character, in, on, under, and that may be produced from the land.

FURTHER, if Tract 15-02 ceases to be used for public road purposes, the land shall immediately and automatically revert to the state.

Note: Exhibits A and B are on file with the commission chief clerk.

(8) Tarrant County - FM 157 at West Harris Road in Arlington - Consider the sale of a drainage easement (MO)

114835
ROW

In Arlington, TARRANT COUNTY, on FARM TO MARKET ROAD 157, the state of Texas acquired an easement interest for highway drainage purposes by instrument recorded in Volume 9606, Page 1525, Deed Records of Tarrant County, Texas.

A portion of the easement (Tract 15-13), RCSJ 0747-04-074, shown on Exhibit A, is no longer needed for a state highway purpose.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the sale of any interest in real property acquired and no longer needed for a state highway purpose.

Arlington Seclusion Development, LLC, is the owner of the fee in the property and has requested to purchase Tract 15-13 for \$19,743.

The commission finds \$19,743 to be a fair and reasonable value for the state's right and interest in Tract 15-13.

IT IS THEREFORE ORDERED by the commission that Tract 1 is no longer needed for a state highway purpose and recommends, subject to approval of the attorney general, that the governor of Texas execute a proper instrument releasing the state's right and interest in Tract 15-13 to Arlington Seclusion Development, LLC, for \$19,743.

Note: Exhibit A is on file with the commission chief clerk.

(9) Travis County - SL 360, northeast corner at Ben White/S. Lamar in Austin - Consider the sale of right of way to the successful bidder (MO)

114836
ROW

In Austin, TRAVIS COUNTY, on STATE LOOP 360, the state of Texas acquired certain land for highway purposes by instrument recorded in Volume 3250,

Page 2116, Deed Records of Travis County, Texas.

A portion of the land (Tract 4), RCSJ 0113-13-160, shown on Exhibit A, is no longer needed for a state highway purpose.

In accordance with V.T.C.A., Transportation Code, Chapter 202, Subchapter B, the Texas Transportation Commission (commission) may recommend the sale of any interest in real property no longer needed for a state highway purpose to the general public.

Tract 4 was advertised for sale, and Vaquero Ventures Management, LLC, submitted a bid of \$715,000.

The commission finds \$715,000 to be a fair and reasonable value of the state's right, title, and interest in Tract 4.

IT IS THEREFORE ORDERED by the commission that Tract 4 is no longer needed for a state highway purpose. The commission recommends, subject to approval by the attorney general, that the governor of Texas execute a proper instrument conveying all of the state's right, title, and interest in

Tract 4 to Vaquero Ventures Management, LLC, for \$715,000; SAVE AND EXCEPT, however, there is excepted and reserved herefrom all of the state's right, title, and interest, if any, in and to all of the oil, gas, sulphur, and other minerals, of every kind and character, in, on, under, and that may be produced from the land.

Note: Exhibit A is on file with the commission chief clerk.

d. Reports

(1) Compliance Division

Compliance Division report

Note: Confidential report to commission.

(2) Obligation Limit Report

Quarterly status report on the FY 2017 Obligation Limit, the actual obligations utilized through the current month, proposed remaining highway maintenance and construction contract letting for the fiscal year and an update on motor fuel tax receipts (Report)

Note: The Report is on file with the commission chief clerk.

(3) Quarterly report on FY 2017 State Highway Fund 6 cash status (Report)

Note: The Report is on file with the commission chief clerk.

(4) Texas Department of Transportation Annual Financial Report (With Independent Auditor's Report) for the Fiscal Year Ended August 31, 2016 (Report)

Note: The Report is on file with the commission chief clerk.

d. Finance

(1) Consider the acceptance of the audited financial statements of the Texas Mobility Fund (TMF) as required by the governing master resolution (MO)

114837
FIN

Article III, Section 49-k of the Texas Constitution created the Texas Mobility Fund (Mobility Fund) within the treasury of the State of Texas (state) to be administered by the Texas Transportation Commission (commission) as a revolving fund to: (i) provide a method of financing the construction, reconstruction, acquisition, and expansion of state highways, including costs of any necessary design and costs of acquisition of rights of way, as determined by the commission in accordance with standards and procedures established by law; and (ii) provide participation by the state in the payment of a portion of the costs of constructing and providing publicly-owned toll roads and other public transportation projects in accordance with the procedures, standards, and limitations established by law.

Transportation Code, Chapter 201 and other applicable law authorized the commission to issue obligations secured by and payable from a pledge of and lien on all or part of the moneys in the Mobility Fund in the name and on behalf of the state and the Texas Department of Transportation (department) in multiple series and issues from time to time for one or more of the following purposes: (i) to pay all or part of the costs of constructing, reconstructing, acquiring, and expanding state highways, including any necessary design and acquisition of rights of way, in the manner and locations determined by the commission that, according to conclusive findings of the commission, have an expected useful life, without material repair, of not less than 10 years; (ii) to provide participation by the state in the payment of part of the costs of constructing and providing publicly owned toll roads and other public transportation projects that are determined by the commission to be in the best interests of the state in its major goal of improving the mobility of the residents of the state; (iii) to create debt service reserve accounts; (iv) to pay interest on obligations for a period of not longer than two years; (v) to refund or cancel outstanding obligations; and (vi) to pay the commission's costs of issuance. The commission also authorized the execution of a master resolution (Resolution), amendments to the Resolution, and supplemental resolutions (resolutions) to authorize bonds for the Mobility Fund revenue financing program. The resolutions pledge a variety of dedicated statutory fees and other revenues as security and sources of payment for the Mobility Fund bonds and additionally pledge the general revenue of the state. The resolutions also prescribe the terms, provisions and covenants related to the general obligation Mobility Fund bonds.

Under Section 5(j) of the Resolution, the commission covenants to prepare, or cause to be prepared, no more than 120 days after the last day of each fiscal year, a financial report of the Mobility Fund. The financial report is required to be prepared in accordance with generally accepted accounting principles and certified by a certified public accountant. Audited financial statements, contained in the attached Exhibit A, have been prepared for the fiscal year ended August 31, 2016.

IT IS THEREFORE ORDERED by the commission that the audited financial statements of the Mobility Fund, attached as Exhibit A, are accepted.

Note: Exhibit A is on file with the commission chief clerk.

(2) Travis and Williamson Counties - Consider the acceptance of the audited financial statements of the Central Texas Turnpike System (CTTS), as required by the CTTS Indenture of Trust (MO)

114838
FIN

Transportation Code, Chapter 228 and other applicable law authorizes the Texas Transportation Commission (commission) to issue toll project revenue bonds, bond anticipation notes, and other obligations to finance toll projects on the state highway system, and to enter into trust agreements and indentures of trust governing matters relating to the issuance of such obligations.

The commission issued toll project revenue bonds and other obligations to finance a portion of the costs of the Central Texas Turnpike System (system), a toll project composed initially of

SH 130 (Segments 1 through 4), SH 45 North, and Loop 1 project elements. SH 45SE was added to the system in fiscal year 2013. The commission also authorized the execution of an indenture of trust dated July 15, 2002 (indenture) and supplemental indentures to secure revenue bonds and other obligations issued for the system. The indenture prescribes the terms, provisions and covenants related to the issuance of toll project revenue bonds and obligations to finance a portion of the costs of the system.

Under Section 712 of the indenture, the commission covenants to prepare, or cause to be prepared, no more than 120 days after the last day of each fiscal year, a financial report of the results of operations of the system for such fiscal year. The financial report is required to be certified by a certified public accountant and to contain an audited balance sheet, an audited statement of operations, and an audited statement of cash flows for such fiscal year. Audited financial statements, contained in the attached Exhibit A, have been prepared for the fiscal year ended August 31, 2016.

IT IS THEREFORE ORDERED by the commission that the audited financial statements of the system, attached as Exhibit A, are accepted.

Note: Exhibit A is on file with the commission chief clerk.

(3) Travis and Williamson Counties - Consider the acceptance of the report of Actual Traffic and Revenue for the Central Texas Turnpike System (MO)

114839
TOD

Transportation Code, Chapter 228 and other applicable law authorizes the Texas Transportation Commission (commission) to issue toll revenue bonds, bond anticipation notes, and other obligations to finance turnpike projects on the state highway system, and to enter into trust agreements and indentures of trust governing matters relating to the issuance of such obligations.

The commission has previously issued bonds and obligations, with approximately \$2,401,472,000 outstanding, to finance or refinance a portion of the costs of the Central Texas Turnpike System (system), pursuant to an Indenture of Trust and seven supplemental indentures. The Indenture of Trust dated July 15, 2002 (Indenture), prescribes the terms, provisions and covenants related to the issuance of turnpike revenue bonds and obligations to finance a portion of the costs of the system.

Section 501(c) of the Indenture covenants that for the first five full years of operation of the system, the commission will provide to the Trustee a report showing the traffic and revenue of the system for the previous quarter.

Pursuant to Minute Order 111081, dated September 27, 2007, the system was declared Substantially Complete as defined within the Indenture.

A report of actual traffic and revenue, attached as Exhibit A, has been prepared consistent with the reports previously filed pursuant to Section 501(c) of the Indenture of Trust.

IT IS THEREFORE ORDERED by the commission that the report of actual traffic and revenue attached as Exhibit A is accepted.

Note: Exhibit A is on file with the commission chief clerk.

e. Designation of Access Control

Bowie County - I-30, approximately 400 feet west of FM 989 - Consider the designation of a location on the highway at which access will be permitted to the abutting property (MO)

114840
DES

In BOWIE COUNTY, on INTERSTATE HIGHWAY 30, a designated controlled-access highway, the State of Texas acquired certain land for highway purposes by instrument recorded in Volume 398, Page 416, Deed Records, Bowie County, Texas, with denial of access to the abutting remainder properties as described in the instrument.

Shartari Investment, L.P., the current owner of the abutting property, has requested that access to the eastbound frontage road of I-30 be permitted along its north property line at a new access point described in Exhibit A.

Transportation Code, §201.103, empowers the Texas Transportation Commission (commission) to plan and make policies for the location, construction, and maintenance of a comprehensive system of state highways and public roads.

Transportation Code, §203.002, authorizes the commission to lay out, construct, maintain and operate a modern state highway system with an emphasis on the construction of controlled-access highways.

Transportation Code, §203.031, authorizes the commission to designate locations on a controlled-access highway at which access to or from the highway is permitted and determine the type and extent of access permitted at each location.

NOW, THEREFORE, the commission finds that the new access point will not compromise the mobility, safety, or operation of the existing state highway facility, and designates the new access point as a location where ingress and egress is permitted to the eastbound frontage road of I-30.

IT IS THEREFORE ORDERED by the commission that the executive director or his designee is hereby authorized to execute any necessary documents containing terms consistent with the provisions of this order.

Note: Exhibit A is on file with the commission chief clerk.

f. Speed Zones

Various Counties - Consider the establishment or alteration of regulatory and construction speed zones on various sections of highways in the state (MO)

114841
TRF

Transportation Code, §545.352 establishes prima facie reasonable and prudent speed limits for various categories of public roads, streets and highways.

Transportation Code, §545.353 empowers the Texas Transportation Commission (commission) to alter those prima facie limits on any part of the state highway system as determined from the results of an engineering and traffic investigation conducted according to the procedures adopted by the commission.

The Texas Department of Transportation (department) has conducted the prescribed engineering and traffic investigations to determine reasonable and safe prima facie maximum speed limits for those segments of the state highway system shown in Exhibits A and B.

Exhibit A lists construction speed zones in effect when signs are displayed within construction projects. The completion and/or acceptance of each project shall cancel the provision of this minute order applying to said project and any remaining construction speed zone signs shall be removed.

Exhibit B lists speed zones for sections of highways where engineering and traffic investigations justify the need to alter the speeds.

It has also been determined that the speed limits on the segments of the state highway system, previously established by the commission by minute order and listed in Exhibit C, are no longer necessary or have been incorporated by the city which has the authority to set the speed limits on these sections of the highway.

The department, in consultation with the Texas Commission on Environmental Quality, has also determined that environmental speed limits on the segments of highways established by Minute Order 109064, dated October 31, 2002 and listed in Exhibit D, are no longer necessary.

IT IS THEREFORE ORDERED by the commission that the reasonable and safe prima facie maximum speed limits determined in accordance with the department's "Procedures for Establishing Speed Zones" and shown on the attached Exhibits A and B are declared as tabulated in those Exhibits. The executive director is directed to implement this order for control and enforcement purposes by the erection of appropriate signs showing the prima facie maximum speed limits.

IT IS FURTHER ORDERED that a provision of any prior order by the commission which is in conflict with a provision of this order is superseded to the extent of that conflict, and that the portions of minute orders establishing speed zones shown on the attached Exhibits C and D are canceled.

Note: Exhibits A - D are on file with the commission chief clerk.

OPEN COMMENT PERIOD - At the conclusion of all other agenda items, the commission will allow an open comment period, not to exceed one hour, to receive public comment on any other matter that is under the jurisdiction of the department. No action will be taken. Each speaker will be allowed a maximum of three minutes. Speakers must be signed up prior to the beginning of the open comment period.

The commission received comments from Terri Hall, Executive Director of Texas TURF and Texans for Toll-free Highways, and private citizen and engineer Don Dixon.

ITEM 15. Executive Session Pursuant to Government Code, Chapter 551

a. Section 551.071 - Consultation with and advice from legal counsel regarding any item on this agenda, pending or contemplated litigation, or other legal matters.

b. Section 551.074 - Discussion regarding the evaluation of the performance of the Executive Director.

The commission recessed to executive session at 11:10 a.m. and returned from executive session at 12:17 p.m.

The commission received no further comments.

Commissioner Vandergriff motioned adjournment and Commissioner Austin seconded the motion. The commission voted 5 - 0 to adjourn. The regular meeting of the Texas Transportation Commission was adjourned at 12:17 p.m.

APPROVED:



Fryon D. Lewis, Chairman
Texas Transportation Commission

I hereby certify that the above and foregoing pages constitute the full, true, and correct record of all proceedings and official records of the Texas Transportation Commission at its regular meeting on January 26, 2017, in Austin, Texas.



Robin Carter, Commission Chief Clerk
Texas Department of Transportation