

These are the minutes of the regular meeting of the Texas Transportation Commission held on March 28, 2017, in Austin, Texas. The meeting was called to order at 1:00 p.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:**

James Bass, 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 3:47 p.m. on March 20, 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 Randy Clawson.

**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.**

Following opening remarks by the commissioners, Chairman Lewis began the open comment period by asking Senator Borris Miles to provide remarks. Senator Royce West then addressed the commission. Senators Miles and West spoke regarding disadvantaged business owner opportunities. Many members of the Greater Houston Black Chamber attended the meeting. Speaking to the commission were: Chairwoman of the Greater Houston Black Chamber Courtney Rose, President of the Texas Association of African American Chambers of Commerce Charles O'Neal, owner of The Donatto Group James Donatto, II, owner of AAA Treasure International Co., Inc. Gary B. Wade, Vice President of the Greater Houston Black Chamber Nathaniel Gra, TLC Engineering President Tony L. Council, Greater Houston Black Chamber member Karen Becerra, Greater Houston Black Chamber President Reginald Stewart, CEO of Once Staffing Services, Inc. Patricia Alexander, Owner of Benoit Law and President of the Houston Lawyers Association Alfred Benoit, and President of the CITEE Committee Sam Eaton.

**ITEM 2. Consider the approval of the Minutes of the February 22, 2017 workshop meeting and the February 23, 2017, 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 February 22, 2017, workshop meeting and the February 23, 2017, regular meeting by a vote of 5 - 0.

**ITEM 3. Transportation Planning**

**Consider the approval of updates to the 2017 Unified Transportation Program (UTP), including the selection of statewide connectivity corridors (MO) (Presentation)**

This item was presented by Project Planning and Development Director Lauren Garduno. Austin Mayor Steve Adler, City of San Antonio Councilman and AAMPO Chairman Ray Lopez, Bexar County Commissioner Kevin Wolff, President of San Antonio Hispanic Chamber and CEO of Alamo RMA Ramiro A. Cavazos, City of Pharr Mayor Ambrosio Hernandez, Cameron County Commissioner and I-69 Alliance member David A. Garza, and private citizen engineer Don Dixon all spoke to the commission. 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.

114872  
TPP

Transportation Code, §201.991 provides that the Texas Department of Transportation (department) shall develop a Unified Transportation Program (UTP) covering a period of 10 years to guide the development of and authorize construction of transportation projects.

The Texas Transportation Commission (commission) has adopted rules in Title 43, Texas Administrative Code, Chapter 16, governing the planning and development of transportation projects. The rules include guidance regarding the development of the UTP and any updates to the program, as well as public involvement requirements.

The 2017 UTP was approved by the commission on August 25, 2016 in Minute Order 114670.

On February 23, 2017 the department conducted public meetings across the state via WebEx, and a public hearing was held on March 14, 2017 to receive comments and testimony concerning the proposed updates to the 2017 UTP.

The updates to the 2017 UTP, as shown in Exhibit A, include funding authorizations on priority projects and programs. In addition, this minute order approves the selection of statewide connectivity corridors, addresses revisions to project specific program lists and includes other minor revisions or technical corrections. This minute order also provides information on current transportation development credit balances and proposed transfers.

IT IS THEREFORE ORDERED by the commission that the updates to the 2017 UTP, as shown in Exhibit A, are hereby approved.

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

Following agenda Item 3, the commission took a short break from 3:23 p.m. to 3:40 p.m.

**ITEM 4. Advisory Committee Appointments**

**Consider the appointment of members to the Border Trade Advisory Committee (MO)**

This item was presented by Transportation Planning and Programming Division Director Peter Smith. 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.

114873  
TPP

Transportation Code, Section 201.114, requires the Texas Transportation Commission (commission) to appoint members to the Border Trade Advisory Committee (committee) to assist the commission in defining and developing a strategy and making recommendations for addressing the highest priority border trade transportation challenges.

Transportation Code, Section 201.114, also provides that the committee must include, to the extent practicable: (1) the presiding officers, or persons designated by the presiding officers, of the policy boards of metropolitan planning organizations wholly or partly in the Texas Department of Transportation's (department's) Pharr, Laredo, Odessa, or El Paso transportation districts; (2) the person serving, or a person designated by the person serving, in the capacity of executive director of each entity governing a port of entry in this state; (3) a representative each from at least two institutes or centers operated by a university in this state that conduct continuing research on transportation or trade issues; and (4) the port director of the Port of Brownsville or the port director's designee.

The department's administrative rules governing statutory advisory committees, Title 43, Texas Administrative Code, Section 1.84, provide that the committee members serve staggered three-year terms expiring on August 31 of each year.

Three individuals no longer work for the entity represented on the committee; therefore, it is necessary for the commission to appoint new members to fill the vacancies. The new members will serve out the remaining terms of the previous members.

The commission has determined that the individuals or positions listed below fulfill the statutory requirements to serve as members of the committee and shall serve the term specified:

Term expiring August 31, 2018  
Marga Lopez, Donna International Bridge  
Terms expiring August 31, 2019  
Josue Garcia, International Bridge System, Cameron County  
Jon Barela, Borderplex Alliance

IT IS THEREFORE ORDERED by the commission that the individuals or positions named above are appointed to the Border Trade Advisory Committee for the terms specified.

**ITEM 5. Aviation**

**Various Counties - Consider the award of federal non-primary entitlement grant funding for airport improvement projects at various locations (MO)**

This item was presented by Aviation Division Director Dave Fulton. 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.

114874  
AVN

The Texas Department of Transportation (department) is authorized under Title 49, United States Code, Chapter 471, to award federal non-primary entitlement funding for capital improvement projects and to assist in the development and establishment of airports in the state of Texas.

The airports listed in Exhibit A are currently in need of improvements to preserve the airports or to meet standards. The department recommends the award of federal non-primary entitlement grant funds for the improvements.

On March 1, 2017, a public hearing was held. No comments were received.

IT IS THEREFORE ORDERED by the Texas Transportation Commission that the executive director, or the director’s designee, is authorized to enter into any necessary agreements to fund, through the Aviation Facilities Grant Program, the projects described in Exhibit A at an estimated cost of \$1,284,600.

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

**ITEM 6. Public Transportation**

**Various Counties - Consider amending Minute Order 114497, which awarded federal and state funds and transportation development credits to selected rural transportation providers to purchase public transportation vehicles and construct four transit facilities, to correct a federal program name and section number reference (MO)**

This item was presented by Public Transportation Division Director Eric Gleason. 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.

114875  
PTN

The Texas Transportation Commission (commission) approved Minute Order 114497 on February 25, 2016, which awarded federal and state funds and transportation development credits to selected rural transportation providers to purchase public transportation vehicles and construct four transit facilities.

Minute Order 114497 incorrectly identified the program to which Surface Transportation Program – Statewide program funds were flexed as §5339 Bus and Bus Facilities program rather than §5311 Formula Grants for Rural Areas program.

IT IS THEREFORE ORDERED by the commission that Minute Order 114497 is amended by replacing references to §5339 Bus and Bus Facilities program with §5311 Formula Grants for Rural Areas program. All other provisions of Minute Order 114497 remain unchanged.

**ITEM 7. Promulgation of Administrative Rules Under Title 43, Texas Administrative Code, and the Administrative Procedure Act, Government Code, Chapter 2001: Final Adoption**

**a. Chapter 4 - Employment Practices**

Amendments to §4.33, Prohibited Conduct, §4.34, Illegal Drugs, §4.37, Test Results, and §4.39, Refusal to Test (Substance Abuse Program) (MO)

This item was presented by Human Resources Division Director David McMillan. 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.

114876  
HRD

The Texas Transportation Commission (commission) finds it necessary to adopt amendments to §§4.33, 4.34, 4.37 and 4.39 relating to Substance Abuse Program 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 §§4.33, 4.34, 4.37 and 4.39 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.

**b. Chapter 9 - Contract and Grant Management**

Amendments to §9.14, Submittal of Bid (Highway Improvement Contracts) (MO)

This item was presented by Construction Division Director Tracy Cain. 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.

114877  
CST

The Texas Transportation Commission (commission) finds it necessary to adopt amendments to §9.14, Submittal of Bid, relating to Highway Improvement Contracts, 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 §9.14 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. Finance and Financial Assistance for Projects**

**a. Dallas and Denton Counties - Consider the approval of the I-35E Managed Lanes Project annual operating, maintenance, and capital budgets (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 Bugg, and the commission approved the following minute order by a vote of 5 - 0.

114878  
PFD

Transportation Code, Chapter 228 and other applicable law, including Government Code, Chapter 1371, authorizes the Texas Transportation Commission (commission) to issue toll revenue bonds, notes, and other obligations to finance toll projects or systems on the state highway system, and to enter into trust agreements governing matters relating to the issuance of such obligations.

In Minute Order 113350 dated November 15, 2012, the commission designated the I-35E Managed Lanes Project (Project), from I-635 to US 380 in Dallas and Denton counties, including all managed lane connections, as a toll project on the state highway system.

Pursuant to Minute Order 113398 dated December 13, 2012, the Texas Department of Transportation (department) executed a Design-Build Agreement on May 17, 2013 with AGL Constructors in connection with the construction of the Project.

Pursuant to Minute Order 114424 dated November 19, 2015, the commission entered into a TIFIA Loan Agreement, dated November 3, 2016, with the United States Department of Transportation, for a loan in the amount of up to \$285,000,000 pursuant to the Transportation Infrastructure Finance and Innovation Act of 1998 to pay a portion of the eligible project costs of the Project, and executed a Trust Agreement dated November 1, 2016 securing IH 35E Managed Lanes Project Toll Revenue Obligations (Trust Agreement) and a First Supplemental Agreement dated November 1, 2016 securing the Loan Agreement and the Texas Transportation Commission Toll Revenue Converting Tier Note (IH 35E Managed Lanes Project), Series 2016.

Pursuant to Section 505 of the Trust Agreement, the commission has covenanted that on or before April 1, 2017, it will adopt its first operating, maintenance

and capital budgets for the Project (Annual Budget) for the fiscal year ending August 31, 2017 and deliver copies of the budgets to the trustee and the general engineering consultant. The commission must subsequently adopt each Annual Budget on or before the business day preceding the first day of each fiscal year.

The department has completed the first Annual Budget which is attached as Exhibit A. In accordance with Section 505 of the Trust Agreement, the Annual Budget was provided to the general engineering consultant for review and comment prior to adoption by the commission.

IT IS THEREFORE ORDERED that the commission adopts the Annual Budget for the I-35E Managed Lanes Project for fiscal year 2017 attached hereto as Exhibit A.

IT IS FURTHER ORDERED that the executive director is hereby authorized to make necessary adjustments to spending levels in accordance with the Trust Agreement as may be necessary in the operations of the Project.

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

b. Various Counties - Consider the approval of the selection of the proposer who submitted the best value proposal to develop, design, construct, and maintain Segments H, I-1, and part of Segment I-2 of SH 99 (Grand Parkway) in Chambers, Harris, Liberty, and Montgomery counties; consider authorizing the executive director of the department to negotiate and execute a Design-Build Agreement (DBA) and associated Capital Maintenance Agreement (CMA) with the selected proposer; and consider authorizing the executive director to assign all or part of the department’s interests in the DBA and the CMA to the Grand Parkway Transportation Corporation (MO) (Presentation)

This item was presented by Strategic Contract Management Section Director Katherine Holtz. Chief Engineer Bill Hale also answered questions from the commission. 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.

114879  
PFD

Texas Transportation Code, Chapter 223, Subchapter F, prescribes the process by which the Texas Department of Transportation (department) may enter into a design-build agreement (DBA) with a private entity that provides for the design, construction, expansion, extension, related capital maintenance, rehabilitation, alteration, or repair of a highway project on the state highway system.

On June 26, 2014, by Minute Order 113979, the Texas Transportation Commission (commission) authorized and directed the department to issue a request for qualifications (RFQ) to develop, design, construct, and potentially maintain Segments H, I-1, and all or part of I-2 of the

SH 99 Grand Parkway in Chambers, Harris, Liberty and Montgomery Counties (SH 99 H&I project). A portion of Segment I-2 in Chambers County, referred to as I-2A, was already in operation by the department as a four-lane controlled-access facility from I-10 East to FM 1405 (with the section from I-10 East to Fisher Road being tolled). The department issued the RFQ on July 31, 2014, and subsequently determined

that three of the four teams submitting qualifications statements in response to the RFQ were qualified to be on the short list of teams that would be requested to submit detailed proposals to develop, design, construct, and potentially maintain the project.

Texas Transportation Code §223.246 and Title 43 Texas Administrative Code (TAC) §9.153 provide that, if authorized by the commission, the department will issue a request for proposals (RFP) from all private entities qualified for the short-list. On October 30, 2014, by Minute Order 114096, the commission authorized and directed the department to issue an RFP requesting detailed proposals from the short-listed teams to develop, design, construct, and potentially maintain the SH 99 H&I project, including, potentially, to maintain the existing Segment I-2A facility in Chambers County, and authorized a payment for work product for each proposer that submitted a responsive, but unsuccessful, proposal of up to a maximum amount per proposer of 0.25% of the successful proposer's price for all work under the DBA. On April 30, 2015, the department issued the RFP, which also included an option for the addition of lanes on the west end of Segment H (Option).

On October 27, 2015 proposals were received from Fluor Balfour Beatty Williams Brothers, Grand Parkway Infrastructure, and Zachry-Kiewit-Traylor Parkway Builders. The department then determined to issue a request for proposal revisions.

On January 24, 2017, proposal revisions (the proposals) were received from Fluor Balfour Beatty Williams Brothers, Grand Parkway Infrastructure, and Zachry-Kiewit-Traylor Parkway Builders. From January 25, 2017 until March 27, 2017, the department evaluated technical, financial, and price proposals from the proposers.

The proposals were evaluated in the following categories: (1) pass/fail and responsiveness; (2) technical score; and (3) price score. The proposals were first evaluated on the basis of certain pass/fail criteria set forth in the RFP, and reviewed for responsiveness to the submittal requirements in the RFP. The technical proposals were then evaluated and scored in accordance with the requirements of the RFP, which included performance evaluations prepared by the department in accordance with 43 TAC §9.152 and §27.3, and other performance evaluations as deemed relevant by TxDOT. The price proposals were then evaluated and scored, also in accordance with the requirements of the RFP. The technical score points assigned to the technical proposals were then added to the price score points to determine the total number of points received by each proposal. The responsive proposal with the highest score was determined to provide the apparent best value.

The evaluation and scoring of each proposal under the technical score and price score categories resulted in the proposals being ranked as follows: Grand Parkway Infrastructure; Fluor Balfour Beatty Williams Brothers; Zachry-Kiewit-Traylor Parkway Builders. The proposal submitted by Grand Parkway Infrastructure was accordingly determined to provide the apparent best value.

The commission adopted 43 TAC §15.95 to establish procedures applicable to toll project corporations created under Transportation Code, Chapter 431 (chapter 431), in entering into contracts with or on behalf of the commission in connection with the funding and development of toll projects. In Minute Order 113046, dated March 29, 2012, the commission adopted a resolution creating the Grand Parkway Transportation

Corporation (GPTC) pursuant to Title 43, Texas Administrative Code, §15.95, approving its certificate of formation and bylaws and appointing the initial directors.

GPTC is authorized to assist and act on behalf of the commission in the development, financing, design, construction, reconstruction, expansion, operation and/or maintenance of the SH 99 Grand Parkway project, including Segments H, I-1 and I-2, in fulfillment of the purposes of chapter 431, including promoting and developing public transportation facilities and systems by new and alternative means, reducing burdens and demands on the limited funds available to the commission, and increasing the effectiveness and efficiency of the commission.

By Minute Order 113279, dated September 27, 2012, the commission requested GPTC to perform the functions authorized by chapter 431 and any other functions not specified by chapter 431 as necessary in the promotion and development of public transportation facilities and systems of the department by developing, financing, designing, constructing, expanding, operating, or maintaining some or all of the segments of the Grand Parkway that were to be developed by the department, initially Segments D (the portion in Harris County), E, F-1, F-2, and G.

By Minute Order 114290, dated June 25, 2015, the commission authorized, and provided a process for, the addition of Segments H, I-1 and I-2 to the Grand Parkway System of GPTC. Upon execution of the DBA and the associated capital maintenance agreement (CMA), including all related contracts and agreements, all or part of the department's right, title, and interest in those should be assigned to GPTC as provided herein.

**IT IS THEREFORE ORDERED** by the commission that the determination that the proposal submitted by Grand Parkway Infrastructure provides the apparent best value to the department is approved, and the department is authorized and directed to commence and complete negotiations with Grand Parkway Infrastructure necessary to finalize the DBA and the associated CMA to develop, design, construct, and maintain portions of, Segments H, I-1, and I-2 of the Grand Parkway project in Chambers, Harris, Liberty and Montgomery Counties, and to modify the DBA and CMA as necessary as a result of such negotiations.

**IT IS FURTHER ORDERED** that the DBA and the associated CMA are awarded to Grand Parkway Infrastructure subject to, and effective upon the occurrence of, all of the following: (1) the successful conclusion of negotiations, including satisfaction of conditions to final award specifically identified by the department in its letter notice of conditional award to the proposer; (2) the issuance of a Notice of Intent to Award by the department; (3) applicable FHWA approvals as identified by the department; and (4) the mutual execution and delivery of the DBA and CMA by the executive director of the department and the developer.

**IT IS FURTHER ORDERED** that if the executive director determines that the negotiations with Grand Parkway Infrastructure cannot be successfully completed, and that therefore the proposal submitted by Grand Parkway Infrastructure will not provide the apparent best value, the department is authorized to commence and complete discussions and negotiations with Fluor Balfour Beatty Williams Brothers, the next highest ranked proposer, with award to the next highest ranked proposer subject to the terms and conditions in the immediately preceding paragraph of this order.

IT IS FURTHER ORDERED that upon execution of the DBA and the CMA, including all related contracts and agreements, the executive director is authorized to assign all or part of the department’s right, title, and interest in those agreements to GPTC. The executive director is authorized to make such assignments with such terms, conditions, and reservations as are determined to be appropriate to accomplish the purposes of this minute order, in the executive director’s discretion.

c. **Various Counties** - Consider authorizing the executive director of the department to enter into a third amendment to the toll equity loan agreement (TELA) with the Grand Parkway Transportation Corporation (GPTC) in connection with the issuance by GPTC of toll revenue obligations related to SH 99 (Grand Parkway) to (1) provide financial assistance under the TELA for the costs of the Grand Parkway System (system), including the addition of Segments H, I-1, and I-2 (Segments H and I), (2) modify the final maturity and the maximum amount permitted to be made available to GPTC each year during the term of the TELA, and (3) make other amendments necessary with regard to the plan of finance; consider clarifying that Segments H and I will be part of the system as of the date the design-build agreement is executed; and consider consenting to GPTC’s use of proceeds of certain of its TELA-supported series 2013 bonds to pay costs of the system inclusive of Segments H and I (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.

114880  
PFD

The Texas Department of Transportation (department) and the seven counties in the Houston area in which SH 99 (Grand Parkway) is located have been proceeding with the development of the Grand Parkway from SH 146 in Galveston County to SH 146 in Harris County.

In Minute Order 113046, dated March 29, 2012, the Texas Transportation Commission (commission) adopted a resolution creating the Grand Parkway Transportation Corporation (GPTC) pursuant to Title 43 Texas Administrative Code (TAC) §15.95, approving its certificate of formation and bylaws and appointing the initial directors. The commission adopted 43 TAC §15.95 to establish procedures applicable to toll project corporations created under Transportation Code, Chapter 431 (chapter 431) in entering into contracts with or on behalf of the commission in connection with the funding and development of toll projects.

GPTC is authorized to assist and act on behalf of the commission in the development, financing, design, construction, reconstruction, expansion, operation and/or maintenance of the Grand Parkway toll project in fulfillment of the purposes of chapter 431, including promoting and developing public transportation facilities and systems by new and alternative means, reducing burdens and demands on the limited funds available to the commission, and increasing the effectiveness and efficiency of the commission.

In Minute Order 113279, dated September 27, 2012, the commission requested GPTC to perform the functions authorized by chapter 431 and any other functions not specified by chapter 431 as necessary in the promotion and development of public transportation facilities and systems of the department by developing, financing, refinancing, designing, constructing, expanding, operating or maintaining some or all of the segments of the Grand Parkway toll project that were to be developed by the department, initially a portion of Segment D located in Harris County and Segments E, F-1, F-2, and G located in Harris and Montgomery Counties (the initial system).

In Minute Order 113279, the commission also granted final approval of a toll equity loan from the department to GPTC, under certain conditions described herein and in the toll equity loan agreement (TELA), in an aggregate amount in nominal dollars not to exceed \$9,600,000,000, and authorized the executive director of the department to enter into the TELA with GPTC for the facilities costs associated with the initial system, the maintenance, operation and major maintenance costs of the initial system, and identified and permitted pre-development costs of other portions of the Grand Parkway. Minute Order 113279 limited the financial assistance for Segments H, I-1, and I-2 of the Grand Parkway located in Harris, Montgomery, Liberty and Chambers Counties (Segments H and I) and any other portions of the Grand Parkway to pre-development costs.

The department and GPTC entered into the TELA, dated July 17, 2013, in connection with the sale and issuance of certain of GPTC's outstanding Grand Parkway System Toll Revenue Bonds, Series 2013 (series 2013 bonds). To the extent toll revenue, money in certain reserve funds and accounts, and other revenue derived from the system are insufficient, GPTC is authorized to borrow amounts each year pursuant to the TELA which amounts may not exceed certain annual limits, including the maximum available annual amount set forth in a schedule to the TELA and the maximum permitted amount defined in the TELA. The borrowed funds may be used by GPTC for debt service payments on the TELA-supported bonds and for certain budgeted operations and maintenance expenses and certain major maintenance costs in accordance with the TELA.

The provisions of the TELA permit it to be amended during the term of the TELA, subject to authorization by the commission.

In Minute Order 113803, dated December 19, 2013, the commission approved a first amendment to the TELA to adjust the maximum amounts available annually for loans to GPTC pursuant to the TELA in connection with the issuance by GPTC of three series of 2014 refunding bonds (series 2014 bonds) to refund certain of the series 2013 bonds subject to mandatory tender.

In Minute Order 114766, dated November 17, 2016, the commission approved a second amendment to the TELA to adjust the maximum amounts available annually for loans to GPTC pursuant to the TELA in connection with the issuance by GPTC in 2016 of TELA-supported refunding bonds to refund certain of the maturing series 2014 bonds.

In Minute Order 114290, dated June 25, 2015, the commission authorized GPTC to act on behalf of the commission and conferred all powers to GPTC, in order for GPTC to develop, finance, refinance, design, construct, reconstruct, expand, operate

and/or maintain Segments H and I as a part of its initial system (the initial system together with Segments H and I, the system). Minute Order 114290 further authorized GPTC to enter into, assign and assume all contracts relating to the development, design, construction, operation and maintenance of any and all segments of the Grand Parkway within its system among other authorizations necessary to add Segments H and I to the initial system, including the execution of any agreements with the department or other parties necessary in connection with the plan of finance for the Grand Parkway.

GPTC has requested that the commission (A) amend the TELA in connection with the issuance by GPTC of designated series of its toll revenue obligations related to the initial system and to the addition of Segments H and I to the initial system in order to (i) provide financial assistance for costs of Segments H and I (including major maintenance costs) incurred or reasonably expected to be incurred in addition to the financial assistance already approved for the initial system, (ii) modify the schedule of maximum amounts available annually for loans to GPTC pursuant to the TELA to reflect the new principal and interest payment requirements of such obligations, (iii) provide for a later maturity date of the Toll Equity Loan Note to accommodate the expected later maturity date of the system obligations to be issued to finance costs associated with the initial system and Segments H and I but not later than fiscal year ending August 31, 2058, (iv) revise the project budget provided for in the TELA, and (v) provide other amendatory provisions necessary to integrate Segments H and I into the TELA and add them to the initial system; (B) clarify that the commission's intention in Minute Order 114290 was to provide for the addition of Segments H and I to the initial system as of the date of the design-build contract; and (C) consent to GPTC's use of proceeds of certain of its TELA-supported series 2013 bonds to pay for costs of the initial system and Segments H and I rather than for pre-development costs only. The maximum aggregate amount of the toll equity loans that may be made by the department to GPTC under the TELA will not change as a consequence of the requested amendment or other changes.

NOW, THEREFORE, IT IS ORDERED that the executive director of the department is authorized to enter into the third amendment to the toll equity loan agreement (TELA) with the Grand Parkway Transportation Corporation (GPTC) for the Grand Parkway project as described above in connection with the issuance by GPTC of designated series of its toll revenue obligations related to the initial system and to the addition of Segments H and I to the initial system in order to provide financial assistance for costs of Segments H and I (including major maintenance costs) incurred or reasonably expected to be incurred in addition to the financial assistance already approved for the initial system, with such amendment being in substantially the form attached as Exhibit A to this minute order, with such changes as the executive director may approve as consistent with the purposes of this minute order.

IT IS FURTHER ORDERED that, in clarification of the intent of Minute Order 114290, Segments H and I, including any portion thereof that is currently open to traffic, shall be a part of the initial system from and after the date of the design-build contract.

IT IS FURTHER ORDERED that the commission consents to the use by GPTC of proceeds of certain of its TELA-supported series 2013 bonds to pay for costs of the initial system and Segments H and I rather than for pre-development costs only.

IT IS FURTHER ORDERED that the executive director or his designee is authorized and directed to execute all ancillary agreements, instruments and certificates necessary to effect the delivery of the amendment to the TELA and the purposes of this minute order.

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

**ITEM 9. Toll Projects**

**a. Various Counties** - Consider the approval of the initial toll rates for portions of SH 99 (Grand Parkway) consisting of Segments H, I-1, and I-2B in Montgomery, Harris, Liberty, and Chambers Counties, and a portion of Segment I-2A from Fisher Road to FM 1405 in Chambers County; consider approval of a toll rate escalation policy for the same portions of Grand Parkway; and consider the designation of the mainlanes of the portion of Grand Parkway Segment I-2A from Fisher Road to FM 1405 in Chambers County as a toll project on the state highway system (MO)

This item was presented by Toll Operations Division Director Rick Nelson. 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.

114881  
TOD

The Texas Department of Transportation (department) and the seven counties in the Houston area in which SH 99 (Grand Parkway) is located have been proceeding with the development of the Grand Parkway from SH 146 in Galveston County to SH 146 in Harris County. In accordance with the requirements of former Transportation Code §228.0111 and the policies included in Minute Order 111410, the department and the seven counties entered into a Market Valuation Waiver Agreement, effective March 25, 2009, in which the parties agreed on the terms and conditions for the development, construction, and operation of the Grand Parkway, agreed to waive the development of a market valuation of the Grand Parkway, and agreed to certain other provisions applicable to the development, construction, and operation of the Grand Parkway, including terms for establishing baseline toll rates and toll escalation policies applicable to the Grand Parkway.

Title 43, Texas Administrative Code §27.82(d) provides that the Texas Transportation Commission (commission) will establish toll rates for the use of a toll project on the state highway system and prescribes criteria to be considered by the commission in setting toll rates. In setting toll rates, the commission considers: (1) the results of traffic and revenue studies and any schedule of toll rates established in a traffic and revenue report; (2) the requirements of project bond covenants, if applicable; and (3) vehicle classifications, type and location of the facility, and similar criteria that apply to the project. The terms and conditions of the Market Valuation Waiver Agreement provide the basis for the toll rates included in the traffic and revenue report for Segments H, I-1 and I-2 in Harris, Montgomery, Liberty, and Chambers Counties.

The commission is establishing initial toll rates consistent with the terms and conditions of the Market Valuation Waiver Agreement, as shown on Exhibit A, for Grand Parkway Segments H, I-1, the portion of Segment I-2 from Fisher Road to FM 1405 (which is included within that part of Segment I-2 referred to as Segment I-2A, from I-10 East to FM 1405 in Chambers County), and the portion of Segment I-2 from FM 1405 to SH 146 (referred to as Segment I 2B), which will comprise part of the Grand Parkway System (system) to be operated on behalf of the commission by the Grand Parkway Transportation Corporation (GPTC) pursuant to that certain Project Agreement for the SH 99 Grand Parkway System, dated July 17, 2013, as amended from time to time, by and between the department and GPTC, and in accordance with a trust agreement between GPTC and the trustee for the holders of GPTC's toll revenue bonds issued or to be issued to pay the costs of constructing the system.

In Minute Order 113399, dated December 13, 2012, the commission adopted a toll rate escalation policy for the portion of Segment D of the Grand Parkway in Harris County, for Grand Parkway Segments E, F-1, F-2 and G, and for the portion of Grand Parkway Segment I-2A from I-10 East to Fisher Road in Chambers County. That toll rate escalation policy should also apply to Grand Parkway Segments H, I-1, the portion of Segment I-2A from Fisher Road to FM 1405, and Segment I-2B.

In Minute Order 111167, dated December 13, 2007, the commission designated the portion of Segment I-2A from I-10 East to Fisher Road in Chambers County as a toll project on the state highway system. This part of Segment I-2A is an all-electronic, open road tolling facility with a closed ramp system of toll collection, and is currently in operation outside the Grand Parkway System.

In Minute Order 114096, dated October 30, 2014, the commission designated SH 99 Grand Parkway Segment H from US 59 North to US 90 East; Segment I-1 from US 90 East to I-10 East; and Segment I-2B from FM 1405 to SH 146 in Chambers, Harris, Liberty and Montgomery Counties as a toll project on the state highway system.

The portion of Grand Parkway Segment I-2A from Fisher Road to FM 1405 in Chambers County has not previously been designated as a toll project on the state highway system, and has not been tolled, because of pre-existing local non-tolled movement before the development of SH 99. This part of Segment I-2A is currently in operation outside the Grand Parkway System as a non-tolled facility.

In June 2005, the Houston-Galveston Area Council (HGAC), the metropolitan planning organization for the region, designated Segment I-2 as a toll project in the 2025 Regional Transportation Plan. Transportation Code §228.051 provides that, subject to Transportation Code §228.201, the commission, by order, may designate one or more lanes of a segment of the state highway system as a toll project or system. Based on the June 2005 designation by the HGAC, designation of the portion of Grand Parkway Segment I-2A from Fisher Road to FM 1405 as a toll project is authorized under Transportation Code §228.201(a)(2). It is anticipated that after the designation of this portion of I-2A as a toll project, local movement on only this portion of Segment I-2A will continue to be non-tolled.

**IT IS THEREFORE ORDERED** by the commission that the mainlanes of the portion of Grand Parkway Segment I-2A from Fisher Road to FM 1405 in Chambers County are designated as a toll project on the state highway system.

IT IS FURTHER ORDERED by the commission that upon substantial completion of the construction of Segments H, I-1, and I-2B, GPTC is authorized to charge tolls for the tolled portions of Segments H, I-1, and I-2B of the Grand Parkway in Montgomery, Harris, Liberty and Chambers Counties, and for the portion of Segment I-2A from Fisher Road to FM 1405 in Chambers County, as set forth in Exhibit A.

IT IS FURTHER ORDERED that the executive director is authorized annually to escalate toll rates on the tolled portions of Segments H, I-1, and I-2B of the Grand Parkway in Montgomery, Harris, Liberty and Chambers Counties, and for the portion of Segment I-2A of Grand Parkway from Fisher Road to FM 1405 in Chambers County, in accordance with established indices and the toll escalation policy previously adopted in Minute Order 113399.

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

**b. Dallas and Denton Counties - In accordance with Regional Transportation Council policy, consider the establishment of toll rates for the I-35E Managed Lanes Project from I-635 in Dallas County to US 380 in Denton County (MO)**

This item was presented by Toll Operations Division Director Rick Nelson. 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.

114882  
TOD

Title 43, Texas Administrative Code, §27.82(d) provides that the Texas Transportation Commission (commission) will establish toll rates for the use of a toll project on the state highway system. In setting toll rates, the commission is required to consider: (1) the results of traffic and revenue studies and any schedule of toll rates established in a traffic and revenue report; (2) the requirements of project bond covenants, if applicable; and (3) vehicle classifications, type and location of the facility, and similar criteria that apply to a specific project.

In Minute Order 113350, dated November 15, 2012, the commission designated a controlled access facility along I-35E from I-635 to US 380 (I-35E Managed Lanes Project) as a toll project on the state highway system. The I-35E Managed Lanes Project includes two reversible managed tolled lanes from I-635 to Swisher Road. The I-35E Managed Lanes Project is an all-electronic, open road tolling managed lane facility.

The Tolled Managed Lane Policy adopted by the Regional Transportation Council (RTC) on

March 10, 2016 provides that a fixed pricing schedule will be applied during the first six months of operation, and a dynamic pricing schedule will be applied thereafter. The Texas Department of Transportation (department) desires to establish toll rates for the I-35E Managed Lanes Project, in accordance with the RTC Tolled Managed Lane Policy, at each tolling point as set forth in Exhibit A.

IT IS THEREFORE ORDERED that the department is authorized to charge tolls on the I-35E Managed Lanes Project along I-35E from I-635 in Dallas County to Swisher Road in Denton County, based on the fixed pricing schedule, in the amounts

stated in Exhibit A, beginning on May 1, 2017 or at such time thereafter when all toll systems have been tested and are functioning.

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

**ITEM 10. Contested Case**

**Travis County - CKORP, LLC v. Texas Department of Transportation - Consider action on CKORP’s Motion for Rehearing on Commission’s Final Order to debar CKORP for a period of two years (MO)**

This item was presented by Associate General Counsel James Kirk. Plaintiff’s attorney Carson Fisk also spoke to the commission. 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.

114883  
GCD

On March 28, 2017, the Texas Transportation Commission (commission) considered CKORP, LLC’s (CKORP) Motion for Rehearing concerning the commission’s order of January 26, 2017 debarring CKORP for a period of two years as sanction for CKORP’s default on a highway improvement contract.

IT IS 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, denies CKORP’s Motion for Rehearing, and directs the executive director to take the necessary steps to implement this order.

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

**ITEM 11. 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. 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.

114884  
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 March 7 and 8, 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.

Following agenda Item 11.a., Commissioner Bugg left the dais at 4:11 p.m. and did not return to the hearing room.

**b. Highway Maintenance (MO)**

This item was presented by Construction Division Director Tracy Cain. Commissioner Vandergriff made a motion, which was seconded by Commissioner Austin, and the commission approved the following minute order by a vote of 4 - 0.

114885  
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 March 7 and 8, 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 Vandergriff made a motion, which was seconded by Commissioner Austin, and the commission approved the following minute order by a vote of 4 - 0.

114886  
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 March 7, 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 defer, 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 12. 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 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 Vandergriff and the following minute order was approved by Chairman Lewis, Commissioner Austin, Commissioner Vandergriff, and Commissioner Ryan (a vote of 4 - 0).

114887  
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 - P. 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 - 22, 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	I	3138-01-026	26
Brazos	FM 2347	J	3138-01-026	9,9AC
Dallas	SH 183	K	0094-03-098	86
Dallas	SL 12	N	0581-02-115	112
Dallas	SL 12	M	0581-02-115	111E
Dallas	SL 12	O	0581-02-115	115E
Dallas	SL 12	P	0581-02-115	117E
Ellis	SH 360	G	2266-03-005	201
Galveston	IH 45	C	0500-04-120	29
Galveston	IH 45	A	0500-04-123	101A
Harris	IH 45	L	0500-03-547	2
Harris	IH 45	H	0500-03-547	3
Tarrant	SH 360	F	2266-02-145	108
Travis	IH 35	E	0015-13-393	3
Travis	IH 35	B	0015-13-393	14
Travis	IH 35	D	0015-13-393	17

**NON-CONTROLLED ACCESS**

<u>COUNTY</u>	<u>HIGHWAY</u>	<u>EXHIBIT</u>	<u>ROW CSJ NO.</u>	<u>PARCEL</u>
Bexar	US 281	6	0253-04-149	59
Bexar	US 281	7	0253-04-149	40,40TE
Collin	FM 455	11	0816-04-098	3
Denton	FM 455	13	0816-02-080	1
Denton	FM 455	12	0816-02-080	2
Fort Bend	SH 36	19	0188-02-038	117
Fort Bend	SH 36	15	0188-02-038	216
Fort Bend	SH 36	16	0188-02-038	217
Fort Bend	SH 36	20	0188-02-038	219
Galveston	SH 146	17	0389-06-092	417
Galveston	SH 146	18	0389-06-092	602
Grayson	FM 121	8	0729-01-044	4
Grayson	FM 121	1	0729-01-044	17
Grayson	FM 121	2	0729-01-044	26
Harris	SH 146	21	0389-05-095	134
Hidalgo	US 83	22	0039-02-059	9E,9TE
Kleberg	US 77	3	0102-04-100	4A
Kleberg	US 77	4	0102-04-100	4B
Smith	FM 2493	5	0191-03-082	19
Smith	FM 2493	9	0191-03-082	53
Smith	FM 2493	14	0191-03-082	55
Waller	FM 1774	10	1400-03-008	14

Note: Exhibits A - P and 1 - 22 are on file with the commission chief clerk.

**ITEM 12. Routine Minute Orders and Reports**

This item was presented by Executive Director James Bass. Commissioner Vandergriff made a motion, which was seconded by Commissioner Austin, and the commission approved the following minute orders by a vote of 4 - 0.

**a. Donations to the Department**

**(1) 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)**

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.

(2) Real Estate Donations

**Dallas District** - Consider for acknowledgement of the acquisition by gift/donation of required right of way accepted by the department for purposes of constructing, maintaining, widening, straightening, or extending the state highway system (MO)

114889  
ROW

The Texas Department of Transportation (department) is acquiring the right of way for highway improvement projects by donations.

This minute order considers acknowledgement of acceptance of donations of real property to the State of Texas by the department. The department has determined that acceptance of these donations is in the best interest and welfare of the traveling public and will provide a significant public benefit.

Transportation Code, §201.206, authorizes the 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.

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, §223.049, and §224.001. The donation agreement has been executed and accepted by the department under Title 43, Texas Administrative Code, §1.504.

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) Dallas County - SH 190 at Brand Road in Garland - Consider the sale and quitclaim of right of way to the abutting landowner (MO)**

114890  
ROW

In Garland, DALLAS COUNTY, on STATE HIGHWAY 190, the state of Texas acquired certain land by instruments recorded in Volume 90064, Page 1177, and Volume 87143, Page 4864, Deed Records of Dallas County, Texas, and the state used other land for highway purposes to which there is no record title.

Portions of the land (Tracts 1, 2, and 3), RCSJ 2964-06-023, described in Exhibit A, 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 sale of any interest in real property acquired and no longer needed for a state highway purpose and may recommend the quitclaim of any interest that might have accrued to the state by use of the property to the abutting landowner at the request of the county or municipality.

Brand New Bush, Ltd., is the abutting landowner and has requested to purchase Tracts 1 and 2 for \$137,904.

The City of Garland has requested that Tract 3 be quitclaimed to the abutting landowner.

The commission finds \$137,904 to be a fair and reasonable value of the state’s right, title, and interest in Tracts 1 and 2.

IT IS THEREFORE ORDERED by the commission that Tracts 1, 2, and 3 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 conveying all of the state’s right, title, and interest in Tracts 1 and 2 to Brand New Bush, Ltd., for \$137,904; 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.

FURTHER, the commission recommends, subject to approval by the attorney general, that the governor of Texas execute a proper instrument quitclaiming the state’s right and interest in Tract 3 to Brand New Bush, Ltd.

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

(2) Denton County - FM 720 at FM 423 in Little Elm - Consider the sale of right of way to the Town of Little Elm (MO)

114891  
ROW

In Little Elm, DENTON COUNTY, on FARM TO MARKET ROAD 720, the state of Texas acquired certain land for highway purposes by instrument recorded in Volume 647, Page 323, Deed Records of Denton County, Texas.

A portion of the land (Tract 1), RCSJ 1567-01-039, 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 to a governmental entity with the authority to condemn the property.

The Town of Little Elm has requested to purchase Tract 1 for \$214,550. The commission finds \$214,550 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 the Town of Little Elm, Texas, for \$214,550; 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.

(3) Denton County - FM 1171, north side of E. Main Street at Kealy Avenue in Lewisville - Consider the quitclaim of right of way to the abutting landowner (MO)

114892  
ROW

In Lewisville, DENTON COUNTY, on FARM TO MARKET ROAD 1171, the state of Texas used certain land for highway purposes to which there is no record title.

A portion of the land (Tract 1), RCSJ 0196-04-016, 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.

Hard Sun 100, LLC, is the abutting landowner and has requested to acquire Tract 1.

The City of Lewisville has requested that Tract 1 be quitclaimed to the abutting landowner.

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 landowner.

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 quitclaiming all of the state's right and interest in Tract 1 to Hard Sun 100, LLC.

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

(4) Franklin County - FM 115, west side, south of FM 900 - Consider the sale of right of way to the abutting landowner (MO)

114893  
ROW

In FRANKLIN COUNTY, on FARM TO MARKET ROAD 115, the state of Texas acquired certain land for highway purposes by instruments recorded in Volume 95, Page 40, and Volume 182, Page 951, Deed Records of Franklin County, Texas.

A portion of the land (Tract 1), RCSJ 2797-01-017, 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 that was acquired and is no longer needed for a state highway purpose.

A.D. Goodrich is the abutting landowner and has requested to purchase Tract 1 for \$700.

The commission finds \$700 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 and that the value is less than \$10,000. The commission authorizes the executive director to execute a proper instrument conveying all of the state's right, title, and interest in Tract 1 to A.D. Goodrich for \$700; 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.

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

(5) Lubbock County - US 82, southwest corner, University Avenue at Santa Fe Drive in Lubbock - Consider the sale of right of way to an abutting landowner (MO)

114894  
ROW

In Lubbock, LUBBOCK COUNTY, on US HIGHWAY 82, the state of Texas acquired certain land for state highway purposes by instrument recorded in Volume 6729, Page 1, Real Property Records of Lubbock County, Texas.

By Minute Order 114252 (MO 114252), dated April 30, 2015, the Texas Transportation Commission (commission) ordered that a portion of the land (Tract 6RR), RCSJ 0380-01-053, described in Exhibit A, is no longer needed for a state highway purpose, and recommended, 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 6RR to Bethel Property Management, LLC, (Bethel) for \$290,536.

In order to resolve a dispute between Bethel and the other abutting landowner, F & I Vending (F & I), and to comply with an Agreed Final Judgment and Waiver of Appeal, sealed bids were received from both abutting landowners. F & I was the prevailing bidder with the top bid price of \$411,292.80.

The commission finds \$411,292.80 to be a fair and reasonable value for the state's right, title, and interest in Tract 6RR.

IT IS THEREFORE ORDERED by the commission that MO 114252 is hereby rescinded and is of no further force and effect.

FURTHER, 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 6RR to F & I Vending for \$411,292.80; 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.

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

(6) Smith County - SL 323, old alignment of Garden Valley Road in Tyler - Consider the sale of right of way to the abutting landowners (MO)

114895  
ROW

In Tyler, SMITH COUNTY, on STATE LOOP 323, the state of Texas acquired certain land for highway purposes by instruments recorded in Volume 799, Page 223, Deed Records of Smith County, Texas.

A portion of the land (Tract 1), RCSJ 2075-01-057, 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.

McMillin Holdings, LLC, and IM & AY, LLC, are the abutting landowners and have requested to purchase Tract 1 for \$49,698.

The commission finds \$49,698 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 McMillin Holdings, LLC, and IM & AY, LLC, for \$49,698; 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) Williamson County - RM 620 at proposed Pearson Ranch Road - Consider the transfer of right of way to Williamson County (MO)

114896  
ROW

In WILLIAMSON COUNTY, on RANCH TO MARKET ROAD 620, the state of Texas acquired certain land for highway purposes by instrument recorded in Volume 337, Page 285, Deed Records of Williamson County, Texas.

A portion of the land (Tract 1), RCSJ 0683-01-091, 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 transfer of highway right of way to a governmental entity that assumes jurisdiction, control, and maintenance of the right of way for public road purposes.

Williamson County has agreed to assume jurisdiction, control and maintenance of Tract 1 for public road purposes.

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 transferring all of the state’s right, title and interest in Tract 1 to Williamson County, Texas; 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.

FURTHER, if Tract 1 ceases to be used for public road purposes, it shall immediately and automatically revert to the state.

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

c. Reports  
Compliance Division report

Note: Confidential report to commission.

**d. Designation of Access Control**

**(1) Denton County - I-35W, south of SH 114 - Consider the designation of one location on the frontage road at which access will be permitted to the abutting property (MO)**

114897  
DES

In DENTON COUNTY, on Interstate 35W, a designated controlled-access highway, the State of Texas acquired certain land for highway purposes by instrument recorded in Volume 530, Page 113, Deed Records of Denton County, Texas, with denial of access to the abutting remainder property as described in the instrument.

LG SH 114 & IH 35, LLC, the current owner of the abutting property, has requested that access to and from the southbound frontage road of I-35W be permitted along the southeastern 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 layout, 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 described in Exhibit A as a location where ingress and egress are permitted to and from the southbound frontage road of I-35W.

IT IS FURTHER 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.

**(2) Harris County - SH 3, approximately 550 feet east of Conklin Lane - Consider the designation of two locations on the highway at which access will be permitted to the abutting property (MO)**

114898  
DES

In HARRIS COUNTY, on STATE HIGHWAY 3, a designated controlled-access highway, the State of Texas acquired certain land for highway purposes by instrument recorded in Harris County Deed Records, H618232, with denial of access to the abutting remainder properties as described in the instrument.

JSBW Properties, LLC, the current owner of the abutting property, has requested that access to the eastbound lanes of SH 3 be permitted along its east property line at the new access points 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 points will not compromise the mobility, safety, or operation of the existing state highway facility, and designates the new access points as locations where ingress and egress is permitted to the eastbound lanes of SH 3.

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.

**e. Highway Designation**

**Hunt County - In and near the city of Quinlan, consider the designation of SH 276 on a new location and the redesignation of the old alignment of SH 276 as Business State Highway 276-L (BS 276-L) concurrent with SH 34 (MO)**

114899  
TPP

In and near the city of Quinlan, the Paris District has requested the following actions: (1) designation of SH 276 on a new location on the state highway system from 0.5 miles east of FM 36 to SH 34, a distance of approximately 2.0 miles; and (2) redesignation of the old alignment of SH 276 as Business State Highway 276-L (BS 276-L) from 0.5 miles east of FM 36 to SH 34 then southerly and concurrently along SH 34 to SH 276, a distance of approximately 2.3 miles.

Pursuant to Texas Transportation Code, §§201.103 and 221.001, the executive director of the Texas Department of Transportation has recommended these actions.

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

IT IS THEREFORE ORDERED by the commission that: (1) SH 276 is designated on a new location on the state highway system from 0.5 miles east of FM 36 to SH 34, a distance of approximately 2.0 miles; and (2) the old alignment of SH 276 is redesignated as BS 276-L from 0.5 miles east of FM 36 to SH 34 then southerly and concurrently along SH 34 to SH 276, a distance of approximately 2.3 miles, as shown on Exhibit A.

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)**

114900  
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 108409, dated January 25, 2001 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.

**ITEM 14. Executive Session Pursuant to Government Code, Chapter 551 Section 551.071 - Consultation with and advice from legal counsel regarding any item on this agenda, pending or contemplated litigation, or other legal matters.**

The commission did not meet in executive session.

**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 private citizen and engineer Don Dixon.

Commissioner Austin motioned adjournment and Commissioner Vandergriff seconded the motion. The commission voted 4 - 0 to adjourn. The regular meeting of the Texas Transportation Commission was adjourned at 4:20 p.m.

APPROVED:



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Tryon D. Lewis, Chairman  
Texas Transportation Commission

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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 March 28, 2017, in Austin, Texas.



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Robin Carter, Commission Chief Clerk  
Texas Department of Transportation