

TEXAS TRANSPORTATION COMMISSION

COMMISSION MEETING

Thursday, December 15, 2005
Commission Room
Dewitt Greer Building
East 11th Street
Austin, Texas 78701-2483

COMMISSION MEMBERS:

Ric Williamson, Chairman
John W. Johnson
Hope Andrade
Ted Houghton, Jr.

STAFF:

Michael W. Behrens, P.E., Executive Director
Steve Simmons, Deputy Executive Director
Richard Monroe, General Counsel
Roger Polson, Executive Assistant to the
Deputy Executive Director
Dee Hernandez, Chief Minute Clerk

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P R O C E E D I N G S

1
2 MR. WILLIAMSON: Good morning. Merry
3 Christmas, Happy Chanukah, bah-humbug, that should cover
4 everybody. It is 9:18 a.m., and I would like to call the
5 December 2005 meeting of the Texas Transportation
6 Commission to order.

7 It is a pleasure to have each and every one of
8 you here with us this morning. Thank you for making the
9 long or short drive to attend our meeting.

10 Please note for the record that public notice
11 of this meeting, containing all items on the agenda, was
12 filed with the Office of Secretary of State at 1:07 p.m.
13 on December 7, 2005.

14 Before we begin today's meeting, as we always
15 do, please join with me in taking a moment to pull out
16 your cell phone, your BlackBerry, your personal pager,
17 your two-way radio, your Nextel, whatever you carry that
18 might go off in this meeting and disrupt us, and place
19 that device on either the vibrate, silent, or off mode.
20 Thank you very much.

21 It is our custom to open with comments from the
22 commission, and as always, we will open with Commissioner
23 Houghton from the far western reach of our great state.
24 Ted?

25 MR. HOUGHTON: Thank you, Mr. Chairman, and
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1 good morning. Merry Christmas, Happy New Year and happy
2 holidays to all of you. The best to all of your families.

3 This is a great time of year and I hope we have some fun
4 today in this commission meeting. We've got a lot of
5 things on the agenda. Again, welcome.

6 MS. ANDRADE: Good morning. I'd also like to
7 welcome everyone. Thank you for coming to our December
8 meeting. We've got an interesting agenda and a couple of
9 discussion items that I think will be interesting. But I
10 also would like to wish you safe and happy holidays.
11 Thank you.

12 MR. JOHNSON: Well, when you bat third in the
13 lineup, you see a lot of the same pitches. It's great to
14 see so many familiar faces here. One would think that the
15 December meeting would be sparsely attended but it's great
16 to see so many friends and people who work so hard on
17 transportation issues which are so integral to the quality
18 of life in this state.

19 I want to echo what my colleagues have said.
20 This is a very special season and I hope everybody has a
21 Merry Christmas and of course, a safe, safe holiday.

22 MR. WILLIAMSON: Thank you, Ted, Hope, and
23 John.

24 Please let me take a moment to remind everyone
25 if you wish to address the commission during today's

1 meeting we ask that you fill out a speaker's card. You
2 can find the card on the registration table out in the
3 lobby to most of your right.

4 If you're going to comment on an agenda item,
5 something that's posted, we ask that you fill out a yellow
6 card, such as the one in my hand, and indicate the agenda
7 item upon which you wish to speak. If you don't want to
8 comment on the specific agenda but you wish to make a
9 comment during the open comment period which is at the end
10 of the meeting, we ask that you fill out the blue card,
11 such as the one in my left hand.

12 Regardless of the color of the card, we ask
13 that you try to limit your remarks to three minutes unless
14 you are a sitting member of the legislature, in which case
15 you may take as long as you wish.

16 The first item on the agenda today is the
17 approval of the minutes of the November meeting of the
18 commission. Do I have a motion?

19 MR. HOUGHTON: So moved.

20 MS. ANDRADE: Second.

21 MR. WILLIAMSON: I have a motion and a second.

22 All those in favor of the motion will signify by saying
23 aye.

24

25 (A chorus of ayes.)

1 MR. WILLIAMSON: All opposed, no.

2 (No response.)

3 MR. WILLIAMSON: We're going to continue
4 today's agenda with a discussion item, and I guess this
5 would be the sobriety checkpoint discussion item, Mike?

6 MR. BEHRENS: Yes, sir.

7 MR. WILLIAMSON: And I think we're going to
8 have some special guests, we're going to perhaps discuss
9 safety barriers as well as the sobriety checkpoint matter,
10 and a great TxDOT employee, Carlos Lopez, is going to lead
11 us in this discussion item. Carlos? Otherwise known as
12 Concrete Barrier Carlos.

13 MR. LOPEZ: Or Cable.

14 MR. WILLIAMSON: Or Cable.

15 MR. LOPEZ: Good morning, commissioners. My
16 name is Carlos Lopez and I'm director of TxDOT's Traffic
17 Operations Division, and thanks for putting this
18 discussion item on the agenda.

19 Commissioners, we have a problem in Texas: too
20 many people die in alcohol-related traffic crashes. In
21 fact, over the last five years, we've averaged a little
22 under 1,800 people dying in these type of accidents.
23 That's about half of all the people that die on Texas
24 roadways. Around the country, about 40 percent of people
25 die in alcohol-related traffic crashes, so we're above

1 that particular average.

2 And if you think about it, that 1,800 number is
3 like wiping out a town like Hudson Oaks or Magnolia or
4 Somerset or Tornillo every year off the map. That's the
5 amount of people that are in those towns.

6 But we have a plan in place and we've had a
7 plan in place that we've tried to improve and tweak every
8 year, and in a state that's growing like Texas, I'd
9 venture to say that if we hadn't had this plan in place,
10 that number would be a lot higher than it is today.

11 Over the last three years, we've averaged about
12 \$23 million in STEP grants to local PDs, sheriffs and DPS.

13 This translates into almost half a million extra man
14 hours of enforcement over and above what the PDs do on
15 their normal budgets.

16 MR. WILLIAMSON: Carlos, for the purpose of
17 enlightening our audience, a STEP grant is a transfer of
18 dollars from the state's transportation construction fund
19 to law enforcement labor costs. Is that correct?

20 MR. LOPEZ: About half of that \$23 million is.

21 That's been done by rider that's gone to DPS directly
22 from Fund 6. The other half comes from monies provided by
23 the National Highway Traffic Safety Administration, so
24 it's federal dollars.

25 MR. WILLIAMSON: So that's one of the instances
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1 where transportation revenue collected from the citizens
2 is used for something other than construction or
3 maintenance of the state's transportation assets.

4 MR. LOPEZ: Without a doubt.

5 MR. WILLIAMSON: Thank you.

6 MR. LOPEZ: We've also tried to maintain a very
7 strong media presence over the years with ad campaigns
8 such as the hard-hitting Jackie Saburido story that
9 reminds people that not everybody that's a victim of a DWI
10 crash dies, or our "Photos in About an Hour" campaign at
11 Spring Break that reminds youth that it's not a cool thing
12 to spend your Spring Break in jail, or our annual "Santa
13 is Coming to Town, Please Don't Hit Him" campaign.

14 We remind school kids about the dangers of
15 drinking and driving by funding "Shattered Dreams"
16 programs that graphically recreate what the consequences
17 are of a DWI crash. We also fund Project Celebration
18 events which promote alcohol-free events at proms or
19 graduations.

20 We have developed an online DWI reporting
21 system for law enforcement that cuts about in half the
22 time it requires to process paperwork when an officer does
23 a DWI arrest.

24 We have set a very lofty goal of reducing our
25 alcohol-related fatality rate by 15 percent by the year

1 2010. Now, to make that happen, we're going to need every
2 tool available at our disposal. However, there is one
3 tool that is not in the Texas toolbox, and that's the
4 ability to do sobriety checkpoints, and that's literally
5 where an officer stops someone on the road, does some
6 brief questioning, and looks for evidence of DWI.

7 With me here today is Georgia Chakiris. She's
8 the regional administrator of NHTSA South Central Region
9 based out of Fort Worth. She's going to come up and talk
10 a little bit about sobriety checkpoints and their use
11 throughout the country. Georgia?

12 MS. CHAKIRIS: Good morning, Mr. Chairman,
13 members of the commission.

14 I'm very pleased to be here this morning to
15 answer the question: Why sobriety checkpoints? The
16 answer is simple: they are a proven effective method for
17 reducing impaired driving and they save lives.

18 There have been evaluations in many locations
19 across the country, and the Center for Disease Control has
20 reviewed and submitted a report that shows that on average
21 we reduce the incidence of impaired driving crashes and
22 fatalities by 18 to 24 percent by implementing sobriety
23 checkpoints.

24 That could translate in Texas, if we use the
25 preliminary 2004 fatality numbers in Texas, to a savings

1 of over 400 lives if we implemented and used sobriety
2 checkpoints statewide in the state. That is a big
3 difference.

4 Studies and research shows that an individual
5 can drive over the legal limit over 88 times before being
6 caught and arrested. That means that you and I and our
7 families and our friends are at great risk every single
8 day of passing an impaired motorist along the way.

9 Far too many people die and many, many more are
10 injured in ways that the Jackie Saburido campaign amply
11 conveys. We really need the most effective and the most
12 highly visible enforcement program available. That's why
13 we need to be able to provide law enforcement all those
14 effective tools.

15 Sobriety checkpoints work because they deter
16 people from drinking and driving. The whole idea is not
17 necessarily to go out and arrest people, it's to convince
18 them that there is a great risk of being arrested, so they
19 need to decide ahead of time, before they get behind the
20 wheel, not to drink and drive, to reduce the amount that
21 they consume or find alternate transportation. That is
22 the whole purpose for doing sobriety checkpoints.

23 Now, that doesn't mean that it's not an
24 effective enforcement tool. A recent example in New
25 Mexico, they did super blitz weekend, and in one weekend

1 the city of Albuquerque arrested 103 people through
2 sobriety checkpoints alone.

3 That goes to show you there are a large number
4 of folks out there who are over the legal limit, driving
5 impaired, and sobriety checkpoints are an effective tool
6 for addressing that.

7 People that choose to drive impaired must believe there is
8 a strong likelihood that they'll be arrested, and in that
9 way we can help them modify their behavior.

10 I'd be remiss, though, if I didn't mention the
11 potential that this may also have for underage drinking
12 and underage impaired driving. And while we don't have
13 separate studies on those issues, those are going on right
14 now, and we feel that there is some real possibility for
15 addressing those issues when you have the tool for
16 sobriety checkpoints.

17 There's considerable support for the use of
18 sobriety checkpoints from a number of organizations. Of
19 course, law enforcement organizations like the
20 International Organization of Chiefs of Police, the Texas
21 Municipal Police Association, and the National Sheriffs
22 Administration all support the use of sobriety
23 checkpoints.

24 Government agencies, and I mentioned the Center
25 for Disease Control, the National Transportation Safety

1 Board has come out in favor of sobriety checkpoints, and
2 of course, the National Highway Traffic Safety
3 Administration.

4 But it's not only government and enforcement
5 agencies, it's also the private sector: Nationwide
6 Insurance, the National Commission Against Drunk Driving,
7 Citizens Against Drug and Impaired Driving, SADD, that's
8 Students Against Destructive Decisions, and of course,
9 MADD.

10 But most importantly, the public supports
11 sobriety checkpoints. A 2004 Gallop Poll shows that 93
12 percent of the public believe impaired driving to be a
13 major threat to their safety, and 75 percent believe that
14 we need to do more enforcement, stricter enforcement.

15 And I believe that that 2004 survey confirms
16 surveys that were actually conducted here in Texas in
17 Arlington and El Paso some years ago. In Arlington the
18 voter poll showed that 74 percent favored authorizing
19 sobriety checkpoints, and in El Paso 83 percent of the
20 voters indicated that they were willing to tolerate what
21 they felt might be a minor inconvenience of checkpoints to
22 get drunk drivers off the road. And by the way, for most
23 individuals going through a sobriety checkpoint, the delay
24 is less time than a traffic signal.

25 As Carlos pointed out, TxDOT provides a lot of
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1 money, considerable funding to law enforcement to address
2 impaired driving. It makes sense to provide the most
3 effective tools to get the most benefit from the limited
4 dollars and the limited law enforcement personnel
5 available, and I really appreciate the opportunity to talk
6 to you about this, and Carlos is going to come back up and
7 talk to you about some of the operational aspects.

8 MR. WILLIAMSON: Members, you've heard comments
9 from the presenter. Do you have questions? Ted?

10 MR. HOUGHTON: Yes. In the rank, what do we
11 rank amongst the 50 states, not in raw numbers, but in
12 percentages.

13 MS. CHAKIRIS: Well, in percent, Texas is
14 number five. As I had just mentioned earlier to some
15 folks, New Mexico for years had always been number one in
16 the percentage of alcohol-involved fatal crashes. They
17 implemented massive sobriety checkpoint blitzes across the
18 state, and while they still have a severe impaired-driving
19 problem, they have dropped to number 18.

20 Texas was much higher, and we have been doing a
21 lot of high visibility enforcement programs in Texas, but
22 if we're going to push the numbers down further, we have
23 got to be able to utilize all the tools available, and to
24 move Texas down lower on that list of percentages, we need
25 to be able to use sobriety checkpoints.

1 MR. WILLIAMSON: Members? I have a couple of
2 questions. How many states out of the 50 have sobriety
3 checkpoints?

4 MS. CHAKIRIS: Forty states allow checkpoints.

5 MR. WILLIAMSON: And we're one of the ten that
6 do not.

7 MS. CHAKIRIS: That's correct.

8 MR. WILLIAMSON: Are the other nine primarily
9 in the South, primarily urban states, primarily in the
10 Midwest, or is there any pattern?

11 MS. CHAKIRIS: They're spread out. There's
12 some in the Midwest. Texas is really kind of by
13 themselves.

14 MR. WILLIAMSON: So the Northwest and the
15 industrial upper Midwest and us.

16 MS. CHAKIRIS: Yes.

17 MR. WILLIAMSON: Mr. Behrens, I note all of
18 those states that have a heavy German population.

19 (General laughter.)

20 MS. CHAKIRIS: Because of the size of
21 population of Texas, unfortunately, we may not have the
22 highest percentage of alcohol-involved crashes but we do
23 have the highest number of legally impaired fatalities,
24 number-wise. And so reducing fatalities in Texas really
25 impacts the fatality rate in the entire country of course

1 makes us particularly interested in impacting Texas. But
2 as a representative of the National Highway Traffic Safety
3 Administration, I'm interested in saving lives and
4 reducing injuries, but I'm also a resident of Texas, so
5 I'm interested in doing something about it here too.

6 MR. WILLIAMSON: You're an articulate
7 spokesperson.

8 MS. CHAKIRIS: Thank you.

9 MR. WILLIAMSON: Members?

10 (No response.)

11 MR. WILLIAMSON: Okay, thank you very much.

12 MR. LOPEZ: Commissioners, being the traffic
13 guy, I was kind of curious whether setting up a checkpoint
14 causes a mobility and safety issue in itself, so we made a
15 few calls around the country and we found that maybe
16 California had the best examples of the guidelines that
17 are in place and how they conducted them.

18 What we found out is, like Georgia said, they
19 advertise them in advance that they're going to have
20 checkpoints in a general area, and then as the time comes
21 closer, they'll actually advertise where they're going to
22 have it, so it's pretty open to the public.

23 They typically will most always do it on
24 arterials, never on freeways, and locate it next to a
25 parking lot or something where they can have the mobile

1 intoxiliser so they can do their secondary screenings so
2 that they get those folks out of the way of the roadway.

3 The officer will quickly come to the car, take
4 a quick look, see if there's any open containers or
5 anything like that, ask a question "How are you doing?"
6 and based on the response or non-response, look for
7 evidence of DWI. All that typically takes about 30
8 seconds to accomplish.

9 Another officer is always looking at the queue
10 of the cars, like Georgia mentioned, and seeing how long
11 it is, how long it takes that last car to get through that
12 checkpoint. If they have a three-minute goal, for
13 example, then they'll start going to some preset number of
14 every other car, every third car to actually check so that
15 they can keep that queue moving. And they always have the
16 option that if it just gets so bad, they'll just shut it
17 down and go on.

18 It can last anywhere from four to six hours,
19 and as you might expect, they're typically done in the
20 evening hours.

21 I talked to a law enforcement guy in
22 California, his name was Spike and he really likes all
23 this checkpoint stuff, and I asked him to give me an
24 example of the busiest road that you know of that you've
25 ever seen a checkpoint conducted on, and he gave me the

1 example of Sunrise Boulevard in Sacramento on the eastern
2 side of town. And I went and did some searches on traffic
3 counts, and it's a six-lane arterial and it's got about
4 50,000 cars a day on that road. That compares pretty
5 favorably to FM 1960 in Houston between State Highway 249
6 and IH 45, compares very favorably to Parmer Lane here in
7 town between MoPac and I-35, and those roads carry a lot
8 of traffic.

9 I think if checkpoints ever came along in this
10 state, it would behoove TxDOT to go look at one of these
11 in operation and see if we ought to adopt those California
12 guidelines or maybe customize them for Texas type of
13 circumstances so we can get that out to law enforcement,
14 something they could possibly use.

15 So in closing, I'd just like to leave the
16 commission with one question to ponder, and that's if this
17 bill gets filed again -- and it probably will -- should
18 the Texas Transportation Commission weigh in on the
19 matter.

20 MR. WILLIAMSON: Don't close yet. I don't want
21 to catch you off guard, Carlos, but I am curious, do you
22 or does anybody in the audience that you're aware of know
23 how much we spend each year now on what we consider to be
24 safety matters of any kind, things designed to save
25 people's lives?

1 MR. LOPEZ: On the engineering and the human
2 factor side?

3 MR. WILLIAMSON: Yes, everywhere, throughout
4 the department.

5 MR. LOPEZ: Throughout the department. Well,
6 on the human factor side, our annual program, somewhere in
7 the \$40 million range. And on the engineering side, we
8 just did \$600 million in safety bonds last year, we have
9 an annual HES program that's going to grow because of
10 SAFETEA-LU up to maybe the \$100 million range a year, and
11 then all the inherent safety features in all the projects
12 that we do, it's literally in the billions of dollars.

13 MR. WILLIAMSON: Well, my purpose in asking the
14 question, and perhaps should the commission decide to take
15 action on this in the next few months, we need to be
16 prepared to demonstrate to our bosses across the street
17 that there's a cost associated with safety and a benefit
18 associated with it, and we need to try to relate, for
19 example, the projected lives saved in our safety barrier
20 program and the cost per life to the projected lives saved
21 and the cost per life saved for sobriety checkpoints. We
22 need to be prepared with that data.

23 MR. LOPEZ: We can develop that figure.

24 MR. WILLIAMSON: We'll talk a moment, for the
25 audience's benefit on why we're even discussing this, and

1 it may become a little bit more clear.

2 I noticed, Hope, you moved. Did you have
3 something for Carlos?

4 MS. ANDRADE: Well, I had a question. Carlos,
5 we've never done sobriety checkpoints in Texas?

6 MR. LOPEZ: Not that I'm aware of.

7 MS. ANDRADE: I could have sworn in the '60s,
8 when I was growing up, we did, or at least they told me
9 that.

10 MR. LOPEZ: Well, at dinner last night Georgia
11 was telling me that we have done some kind of checkpoints
12 and I think they like would check for licenses, but they
13 weren't called sobriety checkpoints.

14 MS. ANDRADE: And I have to tell you that it
15 really worked because we were scared and it kept us from
16 doing that -- not that I would ever do it, of course.

17 You know, I'm all for safety, as you know, and
18 so I certainly would be interested in researching ths
19 further, but like the chairman says, I know it's going to
20 cost us money too, but we have a responsibility to the
21 families of Texas to keep safety on the roads.

22 MR. WILLIAMSON: Mr. Monroe, did you have some
23 information to share with us?

24 MR. MONROE: Yes, sir. Richard Monroe, general
25 counsel for the department.

1 am honored to be the chief executive officer of MADD. Our
2 national headquarters has been in Irving, Texas for more
3 than 20 years, and it won't surprise you we really support
4 checkpoints for three reasons.

5 At MADD we don't know how to solve tsunamis, we
6 don't know how to solve hurricanes, we do know what to do
7 about drunk driving, and sobriety checkpoints are one of
8 the single best proven ways of reducing drunk driving,
9 deterring drunk driving, as the commissioner indicated,
10 that has been proven all across this country, all around
11 the world.

12 I don't want to repeat what others have said so
13 well, but the science is about a 22 percent reduction, and
14 that Texas could reduce its drunk driving fatalities and
15 its very severe injuries, not necessarily overnight but
16 very quickly with a proven method of a countermeasure like
17 that.

18 The second reason is the most frequent word you
19 hear at checkpoints -- and I've been at checkpoints in
20 about 15 states -- the most frequent word you hear at
21 checkpoints is thank you. The public supports this, they
22 know that this protects their families, they know that
23 this allows them to get home safely.

24 Yes, there are some people who draw the privacy
25 issues to this on public roads which have been paid for by

1 public dollars, but time after time that has not been
2 upheld in the U.S. Supreme Court, and we are very hopeful
3 that you would side with the public on this one.

4 The third reason is that MADD last year served
5 31,000 victim families with grief counseling, with
6 financial counseling, with court counseling. We expect to
7 serve more than that this year, and that, sadly, is only
8 about 10 percent of the victims we should serve.

9 The best way to serve victims is really to turn
10 off the spigot. We know how to reduce drunk driving.
11 Other states have a much better record, frankly, than our
12 state, and we think that Texas really should be a model in
13 this area, following the data, following the public
14 support, and we very strongly urge your consideration of
15 this proven method.

16 I've spent about 30 years of my life working on
17 highway safety issues, was 21 years at the National Safety
18 Council, seven years at the Insurance Institute for
19 Highway Safety which does a lot of the research in these
20 areas. There's no question about the data, and legally it
21 has been upheld in the U.S. Supreme Court a number of
22 times.

23 So I would be pleased to answer any questions
24 you might have on experience in other states or other
25 countries. Thank you.

1 MR. WILLIAMSON: Members?

2 (No response.)

3 MR. WILLIAMSON: Chuck, thank you. Okay, Bill.

4 MR. LEWIS: Thank you. I'm Bill Lewis from
5 Mothers Against Drunk Driving. It's really a pleasure to
6 be here today. I do appreciate your attention to this
7 important issue.

8 Just to keep it very brief, I want to amplify
9 on some of the things that you've heard today, and that is
10 that Texas is the worst state for drunk driving in the
11 nation, and we're not a little bit worse, we're a lot
12 worse. We have about two-thirds the population of
13 California but we kill more people here in drunk driving
14 crashes than does California. California has got more
15 roads, more drivers, more vehicles, more people, but we
16 kill more people here in drunk driving fatalities than
17 they kill in California.

18 The purpose of sobriety checkpoints is not
19 arrest people or to punish people for drunk driving. The
20 back of my business card says MADD's mission is to stop
21 drunk driving, among some other things, but MADD's mission
22 is to stop drunk driving, it doesn't say a syllable about
23 arresting drunk drivers, nothing about punishing drunk
24 drivers; MADD's mission is to stop drunk driving. That's
25 what checkpoints are good at.

1 The traditional way to measure the
2 effectiveness of a law enforcement action is by the number
3 of arrests that are made. If you're going to do a drug
4 bust, the more drug dealers you arrest, the better the
5 operation was. That is not true for sobriety checkpoints.
6 You gauge the success of sobriety checkpoints by the body
7 count, and when you do sobriety checkpoints, the body
8 count comes down.

9 We think the body count will come down by
10 something like 400 people here in Texas if we start
11 running an aggressive, well publicized sobriety checkpoint
12 program. That's no small potatoes. That puts us back in
13 line with where we need to be -- I'm not phrasing that
14 properly, but it puts Texas where it ought to be as far as
15 drunk driving fatalities where alcohol is a factor which,
16 of course, would be every drunk driving crash.

17 The other point I want to make is there are
18 some Texas-specific polls that shows that public supports
19 [stopping] drunk driving. This is a poll that we paid
20 for, along with, believe it or not, some of the
21 enlightened elements of the alcoholic beverage industry
22 about six years ago that showed wide support for sobriety
23 checkpoints. And just in the last legislative session,
24 the Texas poll showed similar results, showed, again,
25 about two-thirds favor checkpoints, about one-third are

1 opposed to them.

2 What impressed me is that this support goes
3 across ethnic lines. The support for Hispanics for
4 sobriety checkpoints was 76 percent for, the Anglo support
5 was 66 percent, African-American support 62 percent for
6 sobriety checkpoints.

7 MR. WILLIAMSON: What was the Germanic support?

8 MR. LEWIS: We try to be as politically correct
9 as we can and not get into that. I don't know what the
10 Germanic support was; I'm sure they're for it.

11 (General laughter.)

12 MR. LEWIS: The points I want to make are that
13 Texas needs checkpoints because we're killing people in
14 drunk driving crashes. Texas supports checkpoints. There
15 are a few members that are in the legislature that are in
16 a position to stop sobriety checkpoints. Unfortunately,
17 that has been the case for the last ten years or so. And
18 we would welcome the commissioners' support and we will be
19 happy to work with you in the coming session to do
20 whatever we need to. If it takes legislation, then let's
21 do legislation; if it takes another court case, then let's
22 do another court case; whatever it takes, let's just get
23 the drunks off the road.

24 I'll be happy to try to answer your questions.

25 MR. WILLIAMSON: Members, you've heard the

1 presenter. Do you have questions or comments directed to
2 Bill? John?

3 MR. JOHNSON: Bill, the poll that you took is
4 how old?

5 MR. LEWIS: This poll is six years old.

6 MR. JOHNSON: It's one year?

7 MR. LEWIS: No. Six years. I'll leave another
8 one here for you also. This is a Texas poll. We didn't
9 get to write the question on this poll as we did on this
10 one.

11 MR. JOHNSON: Well, the thing I like about this
12 question is it's very specific, it does not mince words in
13 terms of what the issue is.

14 MR. LEWIS: And I'll leave this with you. And
15 actually, I know that he who asks the question gets to
16 make the poll come out the way they want it to, but we did
17 try to be honest in the way we asked the question. And we
18 did this in a session when we were trying to pass some
19 other legislation. Checkpoints were, as usual, among our
20 top legislative priorities, but we knew that chances were
21 not good. So we mostly really did want to find out was
22 the support there, where we'd be able to look a legislator
23 straight in the eye and say, Sure, you're going to get the
24 calls on the talk shows, you're going to get the angry
25 letters to the editor, but you need to know that most

1 people do support them, and we can do that. That was the
2 purpose of that poll.

3 MR. WILLIAMSON: Other questions, members?
4 Hope?

5 MS. ANDRADE: I have a question, but I think
6 it's for Carlos. Carlos, if we were fortunate enough to
7 have the legislation to do this, would that mean that it
8 would be up to the communities to decide to do it? Once
9 the state said yes, then it would be up to the
10 communities?

11 MR. LOPEZ: Yes, Commissioner. In most places,
12 in fact, I think all of them, it's a permissive law.

13 MS. ANDRADE: It would be their choice. We're
14 not forcing it but they have that choice.

15 MR. LOPEZ: Right.

16 MS. ANDRADE: Then second, you announce
17 sobriety checkpoints? Does that work for them to know
18 where it's going to be?

19 MR. LOPEZ: I think it takes some of the sting
20 off of that locally because you're not hiding anything.
21 You go out there and tell people where it's going to be
22 and you still get caught, whose fault is that?

23 MS. ANDRADE: Thank you.

24 MR. WILLIAMSON: I think it's inevitable,
25 Carlos, that if the legislature chooses to adopt sobriety

1 checkpoints formally, that we would end up financing a lot
2 of them through our STEP program.

3 MR. LOPEZ: Right.

4 MR. WILLIAMSON: So I do want to narrow in on
5 that projected dollar per life saved to give some basis
6 for the legislature in considering our support.

7 MR. LOPEZ: Okay.

8 MR. WILLIAMSON: The other thing I would like
9 for you to do is contact the Department of Insurance, see
10 if they will give us a dependable letter on the probable
11 impact on automobile insurance rates if sobriety
12 checkpoints were adopted in the state. And we have
13 interaction with all the insurance companies through our
14 Motor Vehicle Division, it might not be a bad idea for us
15 to contact some of the major insurance companies. They're
16 not going to want to say definitely we'll lower the rates,
17 but they might have a general comment on the insurance
18 rates across the state if that particular legislation was
19 to be adopted.

20 MR. LOPEZ: Good point. All right.

21 MR. WILLIAMSON: Any other questions for Carlos
22 on this discussion item?

23 (No response.)

24 MR. WILLIAMSON: Well, we want to again thank
25 all three of the presenters for spending time with us this
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1 morning to discuss this matter and Carlos for putting it
2 together.

3 I think it would be instructive of the audience
4 and for those who watch us electronically to understand
5 why we have these discussion items on these particular
6 topics. The Texas Department of Transportation is a
7 little bit of a unique state agency in state government.

8 We are specifically instructed to produce a set
9 of proposed changes, recommended changes to the statutes
10 of our state which will improve or enhance the
11 transportation system of our state and within the
12 transportation system we have five very clear goals. All
13 of our money is directed towards either reducing
14 congestion, improving economic opportunity, preserving our
15 asset value, improving the air quality of the state, and
16 most important for this discussion item, a resulting
17 increase in the safety for the motoring public.

18 So our interest in sobriety checkpoints is in
19 the arena of increasing the safety of our transportation
20 system. And we have been asked by those interested in
21 this topic to consider adopting this as part of our
22 legislative recommendation, and that's something we take
23 very seriously around here. If we put it on our
24 legislative recommendations, that means we're going to
25 spend the time necessary to advance the idea so we don't

1 do it without a lot of thought and a lot of public input.

2 That's why we have these public discussion items to air
3 these things out.

4 Thank you for a good presentation, Carlos.

5 Mike, I'm going to return it to you. We've got
6 a couple of things to do on the agenda.

7 MR. LOPEZ: Thank you, commissioners.

8 MR. WILLIAMSON: And then we're going to move
9 to the next discussion item.

10 MR. BEHRENS: Thank you, Chairman. We'll move
11 to agenda item number 3 which is our Aviation item for the
12 month of December, and this minute order would recommend
13 funding for airport improvement projects throughout the
14 state. Dave Fulton.

15 MR. FULTON: Thank you, Mike. For the record,
16 my name is Dave Fulton, director of the Aviation Division.

17 This minute order contains a request for grant
18 funding approval for nine airport improvement projects.
19 The total estimated cost of all the requests, as shown on
20 the attached Exhibit A, is approximately \$10.2 million:
21 approximately \$8.8 million federal, and \$1.4 million local
22 funding.

23 A public hearing was held on November 10 of
24 this year and no comments were received. We would
25 recommend approval of this minute order.

1 MR. WILLIAMSON: Members, you've heard the
2 staff recommendation and explanation of our great Aviation
3 director. We do have one witness. Would you care to
4 listen to the witness first? Okay, Joseph Esch, I see you
5 out there again. You're wearing out a path between Austin
6 and Sugar Land on these airport deals. Are you opposing
7 one again?

8 MR. ESCH: No, not opposing one at all. Mr.
9 Chairman, members of the commission.

10 My name is Joseph Esch; I'm executive director
11 for Business Intergovernmental Relations for the City of
12 Sugar Land, and I have a simple message: Thank you. It's
13 very simple, I want to say thank you to the commission for
14 your continued support of the Sugar Land Regional Airport.

15 The support this commission body has given for
16 the Sugar Land Regional Airport and that of Mr. Fulton and
17 his staff over the years is the driving factor for the
18 success of the Sugar Land Regional Airport. We look at it
19 not only as the development of the airport but it
20 continues the opportunity for us to grow our business
21 sector, and is a critical component to our community.

22 We look forward to a continued opportunity to
23 have a partnership with the state and look forward to
24 opportunities to come back in front of you. So very
25 simply. Thank you for your time today.

1 MR. WILLIAMSON: Members?

2 (No response.)

3 MR. WILLIAMSON: Well, you're certainly
4 welcome. We appreciate your taking the time to come up
5 here and talk with us. We understand the legislature
6 expects a first class transportation system, whether it's
7 in the air, on the water, or on asphalt and concrete, or
8 steel, it doesn't matter.

9 MR. ESCH: Wonderful job. Thank you.

10 MR. WILLIAMSON: Thank you.

11 Do you have questions, members, or comments?

12 MR. HOUGHTON: I have one.

13 MR. WILLIAMSON: Please.

14 MR. HOUGHTON: In my travels, Dave, I've picked
15 up a compliment directed towards you of your fine job that
16 the Aviation does, and specifically singled you out as
17 being topnotch, first class. That's the good news. The
18 bad news is I can't remember who told me that.

19 (General laughter.)

20 MR. HOUGHTON: I know I've been to many cities
21 but they said that Dave Fulton and your Aviation
22 Division -- I think it was down in Brazoria, I'm pretty
23 sure it was.

24 MR. WILLIAMSON: It was his cousin.

25 MR. FULTON: Really, I'm blessed to work with

1 some very fine people who make my job pretty easy. That's
2 the bottom line.

3 MR. HOUGHTON: Well, there was a compliment
4 directed to you and I wanted to share it with you. And
5 when I remember who said it, I'll call you.

6 MR. FULTON: Thank you.

7 MR. JOHNSON: Dave, did your alma mater beat
8 its in-state rival in football this year?

9 MR. FULTON: I believe they did. One of the
10 brighter days in our history there, I think.

11 MR. WILLIAMSON: This isn't another Vanderbilt
12 thing, is it?

13 MR. JOHNSON: I refuse to answer that question
14 on the grounds that the answer might incriminate me.

15 (General laughter.)

16 MR. HOUGHTON: First time in how many years?

17 MR. FULTON: Since '75, I think.

18 MR. WILLIAMSON: A long time.

19 MR. FULTON: Twenty-five or thirty years, I
20 think.

21 MR. WILLIAMSON: What's your pleasure, members?

22 MR. HOUGHTON: So moved.

23 MR. JOHNSON: Second.

24 MR. WILLIAMSON: I have a motion and a second.

25 All those in favor of the motion will signify by saying

1 aye.

2 (A chorus of ayes.)

3 MR. WILLIAMSON: All opposed, no.

4 (No response.)

5 MR. WILLIAMSON: Motion carries. Thank you.

6 MR. FULTON: Thank you.

7 MR. BEHRENS: Agenda item number 4 is our
8 Public Transportation minute orders. They'll be presented
9 by Eric Gleason. Both of these minute orders relate to
10 funding for transit projects. Eric?

11 MR. GLEASON: Good morning. Item 4(a), the
12 minute order before you, awards \$60,000 of Federal 5313
13 state planning and research funds to the Concho Valley
14 Rural Transit District to study and recommend potential
15 service and organizational coordination opportunities
16 between the rural provider, Concho Valley RTD, and the
17 urban provider, San Angelo Street Railroad Company, when
18 co-located in a proposed multimodal transit terminal in
19 downtown San Angelo.

20 Both the City of San Angelo and CVRTD desire to
21 explore the possibility of combining their public
22 transportation providers to ensure seamless coordinated
23 transportation in the area and to realize efficiencies to
24 increase ridership.

25 This project is a very specific look at

1 operational and organizational challenges associated with
2 a high degree of coordination between the two operating
3 agencies. As such, its objectives are consistent with the
4 more general effort to develop a regional service
5 coordination plan under the guidance of the regional study
6 group organized by Commissioner Andrade.

7 The idea to co-locate the two agencies in a new
8 multimodal facility and take a hard look at the benefits
9 of increased coordination has the potential to create
10 opportunities, to improve public transportation access to
11 jobs, healthcare, retail and other destinations in the San
12 Angelo area.

13 The extent to which these efficiencies
14 resulting from coordination can be turned into additional
15 service coverage or improved service quality, transit
16 ridership should increase and contribute to some reduction
17 in traffic volumes and improved air quality.

18 Coordination or consolidation of
19 administrative, operational and maintenance functions will
20 increase utilization of facilities, increasing their value
21 to the community and the state.

22 And finally, co-location of the two operating
23 systems will increase emergency response coordination in
24 the event of natural disaster or some other security
25 situation.

1 I have here today in the audience Rob Stephens
2 from the Concho Valley Council of Governments. He's here
3 today to address any additional questions you might have
4 on the project. He's signed in to speak on this topic.
5 Also attending are Walter McCullough, San Angelo District
6 engineer, and Jeffrey Sutton, the executive director of
7 the Concho Valley Council of Governments.

8 And we recommend your approval of this minute
9 order. Thank you.

10 MR. WILLIAMSON: Members, we have one witness.
11 Would you prefer to hear the witness first?

12 Eric, can you kind of stand by so we can ask
13 some questions?

14 Robert Stephens?

15 MR. STEPHENS: Good morning. My name is Robert
16 Stephens and I'm here representing the Concho Valley
17 region, the rural transit district and the COG. I'd like
18 to thank you today for allowing me to address this issue
19 to you, and thank you for your past and continued support,
20 and of course, the leadership of the staff and the
21 commission with some plan initiatives and helping our
22 communities better the quality of life. We appreciate
23 that very much.

24 Our 13-county area in West Texas is responsible
25 for doing some regional service planning as well as

1 service delivery, and we take that responsibility very
2 seriously.

3 Over the last year we completed a study on an
4 interregional multimodal facility for the Concho Valley
5 region and the city of San Angelo, and over that past year
6 we focused on the question: How can the terminal better
7 assist our regional providers, the urban provider and the
8 rural provider, as well as private carriers to provide
9 better service and to expand and help do this more
10 efficiently?

11 In addition to what we found to the cost
12 efficiencies that would be realized from the duplicated
13 capital investments being eliminated with this shared
14 usage of a facility, we believe we have identified
15 additional opportunities for coordination among carriers
16 that we believe will ultimately lead to improved passenger
17 mobility and improved use of shared resources.

18 By examining these service provision elements
19 through a continuation continuum of both the small urban
20 and the rural provider, the benefits that we anticipate as
21 a result of taking advantage of some of these identified
22 coordination opportunities include:

23 An increased total funding available by
24 integrating these different funding streams that each of
25 these entities receive now, allowing a wider scope of

1 funding for a wider population to address service needs;

2 Improved operational efficiency by looking at
3 sharing dispatch reservations, scheduling and other
4 operational orientation tasks;

5 Leveraging personnel, sharing some professional
6 expertise and transferring some technologies between the
7 two entities and the operations;

8 Decreased overhead costs by bringing together
9 duplicate positions and functions;

10 And more service options for both rural and
11 small urban client populations by trying to jell separate
12 demand response systems that will effectively and
13 ultimately support and feed a fixed route system in our
14 city.

15 Today we graciously ask for your support to
16 further explore these opportunities with this study and to
17 improve transportation services in our region, and we
18 thank you for your support.

19 MR. WILLIAMSON: Members, you've heard the
20 witnesses's remarks. Do you have questions or comments?

21 (No response.)

22 MR. WILLIAMSON: I do want to be sure the
23 commission is clear, you are merging two separate public
24 transit agencies.

25 MR. STEPHENS: Yes.

1 MR. WILLIAMSON: Well, I can't tell you how
2 pleased we are and how eager I think we're going to be to
3 help do that, because that was precisely the goal the
4 governor set for us several years ago when he instructed
5 us to begin to invest more in the public transit systems.
6 He believes that greater efficiency means greater
7 effectiveness, and the best way to get efficiency and
8 effectiveness in the transportation system is to incent
9 people to do things that you want done. And I think we're
10 going to be very happy to do this and happy to do whatever
11 else we need to do to help you.

12 I know it's not without pain because they've
13 gone through it in my home county, and it's a little
14 tough, people get kind of upset and patterns change, but
15 more people are being served by that combined transit
16 agency in my home county now than were being served before
17 by the two, so efficiency does equal effectiveness.

18 Thank you very much.

19 MR. STEPHENS: Thank you, sir.

20 MS. ANDRADE: Mr. Chairman, I have a comment.
21 I also would like to congratulate you. I'm very proud,
22 this is great, I think you're ahead of the game, and I'm
23 looking forward to hearing how it works.

24 MR. STEPHENS: Thank you, Commissioner. Thank
25 you for your support.

1 MS. ANDRADE: Thank you very much.

2 MR. WILLIAMSON: Eric, anything further to add?

3 MR. GLEASON: Nothing.

4 MR. WILLIAMSON: Members, you've heard Eric's
5 presentation and you've heard Eric's recommendation.

6 MS. ANDRADE: So moved.

7 MR. HOUGHTON: Second.

8 MR. WILLIAMSON: I have a motion and a second.

9 All those in favor of the motion will signify by saying
10 aye.

11 (A chorus of ayes.)

12 MR. WILLIAMSON: All opposed, no.

13 (No response.)

14 MR. WILLIAMSON: Motion carries. Thank you.

15 MR. GLEASON: Item 4(b), transportation
16 development credit award.

17 This minute order approves the use of
18 transportation development credits, formerly known as toll
19 credits, in the amount of \$1,387,067 for various public
20 transportation projects funded with grants which were
21 subject to lapse if not applied for by the end of fiscal
22 year 2006.

23 There are six transit systems, three rural
24 systems and three small urban systems, which have projects
25 that fit this criteria. Of these projects, two facility

1 projects are funded from grants which do lapse at
2 different intervals, both this fiscal year and next, and
3 these respective grants have been grouped together in this
4 minute order to ensure financial stability for the entire
5 project.

6 Projects fall into one of two categories:
7 either vehicle replacement or facility construction or
8 renovation. These applications are common to previous
9 applications approved for use of transportation
10 development credits by the commission, and project
11 recipients are listed in Exhibit A.

12 Vehicle replacement projects replace aging,
13 unreliable, costly to maintain members of fleets with new
14 alternatively-fueled, lower maintenance and more fuel
15 efficient vehicles, reducing overall operating costs and
16 improving air quality and the quality of service to the
17 customer.

18 Construction of new, state of the art
19 facilities that house management, operations and
20 maintenance functions provides opportunities for increased
21 efficiencies through design and upgrade of outdated
22 systems and facilities. These efficiencies can contribute
23 to lower operating costs and increased resources to expand
24 service or improve service quality.

25 We recommend your approval. Thank you.

1 MR. WILLIAMSON: Members, there are no
2 witnesses on this matter. You've heard the presentation
3 and the recommendation. Are there questions of Eric on
4 this matter?

5 MR. JOHNSON: I just have an opinion. I think
6 this is an excellent use of these credits, these are very
7 worthwhile recipients.

8 MR. GLEASON: Thank you.

9 MR. WILLIAMSON: And we are preserving a
10 transfer from our federal apportionment that we would lose
11 back to other non-donor states, and since we're kind of
12 focused on not losing our donor state money, we also think
13 it's a good efficiency move as well.

14 Do I have a motion?

15 MR. JOHNSON: So moved.

16 MS. ANDRADE: Second.

17 MR. WILLIAMSON: I have a motion and a second.

18 All those in favor of the motion will signify by saying
19 aye.

20 (A chorus of ayes.)

21 MR. WILLIAMSON: All opposed, no.

22 (No response.)

23 MR. WILLIAMSON: Motion carries.

24 Thank you, Eric. How are you adjusting, buddy?

25 MR. GLEASON: Oh, I'm having a great time.

1 MR. WILLIAMSON: I hear you're doing a great
2 job over there.

3 MR. GLEASON: Well, thank you, appreciate that.

4 MR. WILLIAMSON: Everybody says you're moving
5 us along.

6 MR. GLEASON: A lot of good people work for me,
7 I have a lot of very committed providers in the state to
8 making the system better.

9 MR. WILLIAMSON: Very good. Thank you, sir.

10 MR. GLEASON: Thank you.

11 MR. WILLIAMSON: Just so you kind of know the
12 schedule for the morning, we have probably one of our more
13 significant discussion items coming up next. That is a
14 discussion item concerning metropolitan planning
15 organizations, regional mobility authorities and the whole
16 kind of notion of how we continue to regionalize
17 transportation planning and execution in the state.

18 We have today in the audience a member of the
19 legislature who is here on another matter and who is on a
20 schedule which will be disrupted if I hold to my original
21 intention to act on his local area matter. It is my
22 intention to ask Representative Phillips to share with us
23 his viewpoint on matters of the agenda in the next few
24 minutes and then take a ten-minute break before we start
25 the discussion item on regionalization.

1 Mr. Phillips, I assume you're still in the
2 audience. While he's on his way up here, let me take a
3 moment to remind those who watch our doings, the public
4 discussion place on the agenda is designed specifically to
5 permit the commission members to dialogue publicly and to
6 dialogue with the public on matters that we consider to be
7 of importance to the transportation world or in some cases
8 on matters that are causing concern or strife in our
9 communities. We sought to create this as a method to sort
10 of have a free flow of information and exchange of ideas
11 that the public could witness and know was documented.

12 And so in that context, the public discussion
13 item is very important to this commission in its
14 deliberations. That's why we choose to not rush these
15 things and we would feel rushed trying to get Mr. Phillips
16 where he needs to go.

17 So Mr. Phillips, I understand you have a
18 comment on at least one of the agenda items today.

19 MR. PHILLIPS: I do. Mr. Chairman and
20 commissioners, it's great to be with you this holiday
21 season, as you all commented, and thank you for your hard
22 work around the state. I know you're traveling, you're
23 being involved, you're trying to take what the legislature
24 has done and trying to put it on the road, so to speak --
25 no pun intended.

1 And I appreciate you and the staff at TxDOT and
2 their hard work. Whether it's Dave dealing with air
3 issues at airports, I could just name them, that those of
4 us in the legislature that have constituent concerns have
5 to deal with, whether it's at the local area with the
6 district engineer or the assistant district engineer, on
7 up, it's always a pleasure to work with professionals.
8 Even if we don't always agree and don't always get the
9 result that we want and we're not to get that access to
10 that right of way because it's not the best thing for the
11 safety of the public. So thank you for your hard work.

12 And I'm going to talk about my local area, but
13 before discussion number 5 and you discuss that, this is
14 exciting that you're dialoguing with community leaders
15 across the state to coordinate between RMAs and MPOs and
16 regional and county toll authorities. That's legislation
17 that we had last session, if you remember, to look at
18 those things, and we developed, I think, some good
19 relationships and some good entries into discussions on
20 the future of our state mobility issues.

21 And so I applaud your willingness, and those in
22 the audience -- I see my good friends from Collin County
23 and other places around the state here -- willing to come
24 forward and present new ideas and present bold ideas,
25 because for us to succeed as a state, we're going to have

1 to grab the tail of this transportation dilemma and take
2 care of it. So thank you for doing that.

3 Let me talk real briefly about item number 9.
4 I appreciate your consideration for this pass-through
5 project for Grayson County. It was a little over a year
6 ago, maybe more -- in fact, were there just three of you
7 here at that time; I'm trying to remember.

8 MR. WILLIAMSON: I think so.

9 MR. PHILLIPS: There were just three of you, so
10 we've had two added. And we came and presented and you
11 challenged us to look at some different ways of doing our
12 transportation and dealing with this. I think two years
13 before that our county had come before you and said we
14 want to do this or we want you to pay for it up front and
15 that was the traditional method, and there was a challenge
16 put forth by the dais to go back and look at this and look
17 at some other options.

18 And since that time we've developed a regional
19 mobility authority in Grayson County which has helped
20 tremendously with this project, and those members that
21 have served on that and our chairman, and I believe you'll
22 hear from the chairman of that today, Jerdy Gary. They've
23 done a super job shepherding this project through, along
24 with the county commissioners and county judge, and we've
25 done this in a collaborative effort, and we've appreciated

1 our neighbors from the south and NTTA and other
2 organizations that have talked with us and helped us see
3 where we were going to be.

4 And I would say that Amadeo Saenz is a very
5 tough negotiator and he is taking care of the state and
6 the state's money and making sure that these are good
7 investments for the state.

8 That's all I'm going to say about that item and
9 just say I certainly would request strong consideration
10 for approving that item, and give the balance of my
11 time -- which I've probably already passed -- to any
12 questions or any comments you'd like me to make.

13 MR. WILLIAMSON: This is the man on the item
14 concerning the Grayson County pass-through toll proposal.

15 It's not up before you yet but you certainly are welcome
16 to ask the member questions or have comments directed
17 towards him.

18 MR. JOHNSON: I just have an observation.
19 Representative Phillips, it's great to have you here. I
20 know it's not an easy trip, especially in a non
21 legislative session time, but it is good to see you again
22 and nice to have you here.

23 MR. PHILLIPS: Thank you. You know, I was
24 looking through this agenda item, and it's exciting to
25 see, and being new in the legislature I've got to be

1 involved in some exciting stuff, and to see the State
2 Infrastructure Bank issue on there which was a bill I was
3 involved with, that's exciting to see the rail facilities
4 issue which is something we've worked hard at, and the
5 partnership, to see the RMA issues there, the regional
6 mobility authorities. That's exciting to me to come over
7 here.

8 We're out of legislative season and it's good
9 to be gone and we spend enough time here, but it's great
10 to come back and see the hard work that we've all worked
11 together drafting legislation, like I said, put on the
12 road.

13 MR. JOHNSON: A lot of that is the fruits of
14 your labor, and we're grateful.

15 MR. PHILLIPS: Thank you for that.

16 MR. HOUGHTON: I just wanted to echo that too,
17 Representative Phillips. Thank you very much. And I
18 don't have any sympathy for you traveling three hours when
19 I have to do on the other end of the state of Texas, so
20 it's nice to have you come down here.

21 MR. PHILLIPS: Well, I've got no comments to
22 say about that other than it's great to see El Paso firmly
23 involved in the state and what's going on, and I think
24 you've certainly helped bring in all of that part of Texas
25 into some great decisions here.

1 MR. HOUGHTON: Well, thank you for your efforts
2 on these things, and we look forward to dialoguing with
3 your community leaders shortly.

4 MR. PHILLIPS: Thank you for the consideration.

5 MS. ANDRADE: I just want to add to that. You
6 know, I've seen you here several times now since I've been
7 on the commission, and it's just great to have you here,
8 and thank you for everything that you do for the state of
9 Texas.

10 MR. PHILLIPS: Thank you. Same to you.

11 MR. WILLIAMSON: I think it's probable
12 everybody in this room knows that you are a warrior for
13 the road and air and rail system in this state, but in
14 case anybody is watching or in case this is going to be
15 rebroadcast in a campaign ad, let me just say once again
16 you're one of the very best transportation members in the
17 legislature, and we are deeply grateful for the time and
18 attention you pay to the needs of the citizens of this
19 state.

20 MR. PHILLIPS: Thank you very much.

21 MR. HOUGHTON: Commissioner Johnson, would he
22 qualify as one of your water-walkers in transportation?

23 MR. JOHNSON: He's at the top of the list.

24 MR. WILLIAMSON: Indeed. We'll take it up here
25 in a little bit, and I'm sure I don't know of anything

1 that wouldn't make you feel happy about the day's events.

2 MR. PHILLIPS: Good. Thank you very much.

3 MR. WILLIAMSON: Okay, we're going to take no
4 longer than 14, no less than 10, and at 10:30 we will be
5 back from a little short recess. Thank you.

6 (Whereupon, a brief recess was taken.)

7 MR. WILLIAMSON: If you'll take your seats,
8 please, we're going to return to our agenda. The next
9 thing on our agenda is our discussion item on basically
10 regionalization in the state, and some have asked me
11 why -- this is going to be lengthy, and I don't want to
12 scare you, I don't think it's going to be all morning --
13 but some have asked me why I didn't put that on sixth and
14 put the report from the corridor committee on fifth so
15 they could be on their way, and I appreciate your interest
16 in being on your way, but as must be painfully obvious to
17 those who watch the transportation world by now, I set the
18 agenda in a way to be sure that people I think need to
19 hear things have to sit down and listen to them.

20 And I learned that from my second grade teacher
21 grandmother and fourth grade teacher mother that if you
22 want kids to pay attention, you put the things they're
23 interested in at the last so that they get to hear
24 everything.

25 And so that's, for one of you, why I elect to

1 put the agenda in the way because I think that the
2 corridor volunteers will benefit from listening to the
3 give and take between various parts of the state and the
4 commission on regionalization because the corridor is
5 intimately dependent upon the notion of regionalizing
6 decision making and ultimately operation of regional
7 transportation systems. There's a link between it that
8 long term will make a lot of sense for the state's
9 economic health.

10 So having said that, Mike, I return to you and
11 the agenda, please.

12 MR. BEHRENS: Well, we can just go ahead and
13 move into agenda item 5, and Amadeo Saenz will make that
14 presentation. Amadeo?

15 MR. SAENZ: Good morning, commissioners, Mr.
16 Behrens, Roger. For the record, Amadeo Saenz, assistant
17 executive director for Engineering Operations.

18 Item number 5 is a discussion item to talk
19 about coordination with regional mobility authorities,
20 regional turnpike authorities, county toll road
21 authorities in the development and coordination of
22 projects within their areas.

23 I've got a couple of presenters that will be
24 helping me, but I'll start by taking us back into time and
25 kind of through the planning process, and really we

1 started making the move to the way that we're working
2 today when the commission revamped the Unified
3 Transportation Program.

4 And when we revamped the Unified Transportation
5 Program, we made it much smaller in the number of
6 categories that you had to work with, so you made the
7 categories bigger and more flexible, but also it was a big
8 change that we started changing from the decision making
9 at the state level for those big mobility projects where
10 the commission was making those selections to now asking
11 the regions, through the MPOs, to identify those projects
12 and then you would, in essence, approve their plan.

13 MR. WILLIAMSON: Coby, do you have a sufficient
14 number of copies of the "I Have A Plan" document to hand
15 out to the audience, or can you get that? Do you mind
16 doing that for me, please? It might be helpful to the
17 audience to see the document that we work off of.

18 I'm sorry, Amadeo. Go ahead.

19 MR. SAENZ: No problem.

20 So we made those changes, we brought in working
21 groups from all across the state at the different levels
22 for the different funding categories, and they identified,
23 and one of the things that we heard, and the commission
24 took that change, is it was very hard for the regions to
25 plan their transportation programs because they didn't

1 know what project the commission was going to select from
2 year to year.

3 So the commission heard that loud and clear and
4 we made the changes, and so from now on we identified the
5 percentage of funding that would go, for example, to the
6 eight larger metropolitan areas in the state for the next
7 20 years, 30 years, and then we asked them to put together
8 their plan.

9 We then further expanded that by asking those
10 eight metro areas to put together their metropolitan
11 mobility plan, and that was a plan that was started from a
12 needs-based plan to identify what are the transportation
13 needs, look at them across on a multimodal basis for the
14 next 30 years, identify what your needs are.

15 The eight areas identified those needs. They
16 then applied the resources that were given to them based
17 on the formulas and allocations that were derived to
18 identify how much they could do with the traditional
19 funding levels. What was left, of course, was the gap.

20 At the same time, we got House Bill 3588 and we
21 got House Bill 2702 and we got new tools, and we asked
22 them to leverage their resources to identify how they
23 could take the resources that they were given through the
24 mobility fund, through the traditional funding, through
25 the tools of 3588, to come up with a way to leverage and

1 build more transportation projects.

2 MR. WILLIAMSON: Okay, stop.

3 MR. SAENZ: Yes, sir.

4 MR. WILLIAMSON: I want to be sure we all
5 understand the executive version of what you just said.
6 Prior to the governor taking office, the Unified
7 Transportation Plan reflected every project that could
8 conceivably be built in a ten-year period.

9 MR. SAENZ: Ten-year period, yes, sir.

10 MR. WILLIAMSON: Not every project that could
11 be financed but could be built if the money was available.

12 MR. SAENZ: Yes, sir.

13 MR. WILLIAMSON: And the commission sat in
14 wisdom and decided from month to month and year to year
15 physically which projects would be moved from dreamland to
16 reality, except subject to changes in the funding if
17 disasters occurred.

18 MR. SAENZ: That's correct.

19 MR. WILLIAMSON: So the governor has us change
20 that entire system with the help of work groups formed at
21 the regional level to first make the UTP much simpler for
22 people to understand, and then eliminate on a regional
23 basis those projects in that UTP that couldn't be financed
24 with what was known about the world at that time and just
25 focus on the projects that could. And the regions made

1 those decisions, this body did not.

2 MR. SAENZ: That's correct.

3 MR. WILLIAMSON: And then turned around and
4 said now identify the gap in revenue between what is known
5 to be and what you have chosen and what you wish could
6 happen or what we know is important and we can't fund, and
7 that gap is what you refer to.

8 MR. SAENZ: Yes, sir. And we asked them to
9 look at that gap, and of course, the first gap that they
10 identified was the gap based on traditional road funding,
11 how much were they getting from Fund 6. If the Houston
12 area was getting 25 percent of the metropolitan mobility
13 funds, they would say okay, I've got 25 percent of a
14 billion dollars, and that's what they used over that
15 period of time.

16 We also asked them to leverage their dollars by
17 applying some of the new tools, applying the use of the
18 mobility fund, apply the use of the pass-through tolling,
19 apply the use of toll roads, and the areas came forth and
20 put together a plan that incorporated all those new tools
21 and the gap was able to be lowered. They didn't fill it
22 all because the needs were far more than what the tools
23 could generate, but it started and it got us closer, and
24 what we'll do is these toll roads will then in the future
25 start generating additional revenues. So as they go

1 through, and now they're in the process of updating those
2 plans, to take that second tier of revenue that comes from
3 those toll roads to apply to, in essence, lessen the gap
4 or shorten the gap. So those plans are being done there.

5 The other thing that the commission did that
6 was very important and it was also part of House Bill
7 2702, it identified surplus revenue and what could be done
8 with surplus revenue. And something that the commission
9 did that was very important, and it was done through a
10 minute order, the commission said that if an area chose to
11 toll themselves, the revenue that was there after they
12 paid their operation and maintenance and their debt
13 service would remain in the area.

14 House Bill 2702 went further and identified how
15 surplus revenues had to be used for transportation
16 projects or air quality projects and within a region for
17 concessions and for surplus revenue on toll roads within
18 the district or districts where the project was.

19 So those are there in place, but what it does,
20 it allows the people that if they move forward and they
21 choose to use these toll tools, and then eventually as
22 they create surplus revenue, those revenues stay in the
23 area so they can put more assets on the ground. The MPOs
24 went through, they developed their plans, they identified
25 their toll projects, and they identified some toll

1 projects that would be developed under different
2 mechanisms that are available through tolling.

3 And what I wanted to do right now is I wanted
4 to ask Michael Morris and Bill Hale to provide us kind of
5 their approach to the plan and what they were able to
6 accomplish.

7 MR. WILLIAMSON: But before they come up, I
8 want to ask a few more questions of you, please.

9 MR. SAENZ: Yes, sir.

10 MR. WILLIAMSON: Going back to when the UTP was
11 done the old way, for example, if widening State Highway
12 121 from Tarrant County to Collin County made its way to
13 the ten-year plan, and if it were identified by this body
14 for funding, what amount of money would that have been in
15 the late '90s, mid '90s, approximate? And this is a
16 discussion item, this is not testimony.

17 MR. SAENZ: About \$500 million. I just looked
18 at Dallas County and Collin County in the last ten years
19 of how much money had been spent for mobility corridors
20 and also commission Strategic Priority projects, and
21 Dallas County got about \$1.2 billion worth of projects.
22 Some of the key projects were like the High Five major
23 corridor.

24 MR. WILLIAMSON: And I may want to ask about
25 those in a moment, Amadeo, but I want to kind of fix on

1 one thing that we all know about. So if the commission
2 had said in the UTP the Dallas and Fort Worth district
3 engineers and the MPO have approved State Highway 121 to
4 be constructed and if this body, if we had acted to say
5 okay, move forward, we would have been committing about
6 \$500 million to pay for that project.

7 MR. SAENZ: Yes, sir.

8 MR. WILLIAMSON: Now, where would that \$500
9 million have come from? Would that have come from the gas
10 taxes collected in Collin and Dallas and Tarrant and
11 Denton counties?

12 MR. SAENZ: As well as the rest of the state.

13 MR. WILLIAMSON: Well, okay. I asked the
14 question would it have come from the gas taxes collected
15 in Collin, Dallas, Tarrant and Denton, would that \$500
16 million come from those gas taxes?

17 MR. SAENZ: Yes.

18 MR. WILLIAMSON: And would any of that \$500
19 million have been provided by gas taxes paid by people,
20 for example, in San Antonio?

21 MR. SAENZ: Yes, and that's why I said the rest
22 of the state.

23 MR. WILLIAMSON: So the answer to the first
24 question is no, the \$500 million would not have come from
25 the gas taxes paid by those four counties.

1 MR. BEHRENS: It's yes, but it's only a portion
2 of it.

3 MR. SAENZ: A portion of the \$500 million.

4 MR. WILLIAMSON: It would have come from gas
5 taxes paid by everyone in the state.

6 MR. SAENZ: Yes.

7 MR. WILLIAMSON: San Juan down in the Valley?

8 MR. SAENZ: That's correct.

9 MR. WILLIAMSON: Amarillo up in the Panhandle?

10 MR. SAENZ: Right.

11 MR. WILLIAMSON: El Paso out in West Texas?

12 MR. SAENZ: It comes from the common pool of
13 gasoline tax revenue that the department has.

14 MR. WILLIAMSON: So when the commission at that
15 time advanced funding for State Highway 121, it advanced
16 funding from the common pool of gas taxes into which
17 everyone pays.

18 MR. SAENZ: Yes, sir.

19 MR. WILLIAMSON: So you're telling me that
20 people in Houston pay gas taxes to build roads in Dallas?

21 MR. SAENZ: That's correct.

22 MR. WILLIAMSON: Are the roads in Dallas built
23 to the same standards as the roads that are built in
24 Houston?

25 MR. SAENZ: All roads in the state of Texas are

1 built to the standards that we have, so they all should be
2 built to the same standards.

3 MR. WILLIAMSON: Sounds almost like Robin Hood
4 for highways.

5 MR. SAENZ: Could be. I guess another example
6 is the border program that was put in place by the
7 commission. When that border program identified \$1.8
8 billion for the border, we wound up having to take money
9 from the big metropolitan areas to be able to address
10 those needs on the border. Because the common pool of
11 money has only so much, the projects that we have to do
12 are much more, so you have to take from Peter to give to
13 Paul.

14 MR. WILLIAMSON: So basically we have used
15 Robin Hood to build every highway in the state.

16 MR. SAENZ: That's pretty much right.

17 MR. WILLIAMSON: Not only is it not an unusual
18 situation, it is in fact the way the state has always
19 built its highways.

20 MR. SAENZ: That was the practice.

21 MR. WILLIAMSON: Okay, continue.

22 MR. SAENZ: What I'm going to do now is I'm
23 going to ask Michael Morris and Bill Hale to go through
24 their presentation of how they developed the metropolitan
25 mobility plan in the Dallas-Fort Worth area and how they

1 went through this gap analysis and such and so forth, and
2 then I'll come back.

3 MR. WILLIAMSON: Thank you.

4 Coby, did you get those pieces of paper?

5 MR. BEHRENS: I think they're working on it.

6 MR. WILLIAMSON: Five minutes?

7 MR. MORRIS: Mr. Chairman, members of the
8 commission, it's nice to see you again. It's nice to see
9 you on a topic that's very dear to our heart in the
10 Dallas-Fort Worth region. I'm often in front of you
11 promoting some of the statewide initiatives you have me
12 working on.

13 You have a handout of the graphics at your
14 place, if you want a paper copy. You also have a summary
15 of the regional rail initiatives within the region. I was
16 told you may be asking us a question about where we are on
17 regional rail. It's very nice of you to always be able to
18 present a balanced approach to what we try to do in the
19 region.

20 This is a very positive day for us in Dallas-
21 Fort Worth. We have gotten the message, we have the
22 tools. Dallas-Fort Worth region has been working on toll
23 roads since 1993. Your Texas metropolitan mobility plan,
24 your allocation of formula funds to the region, all those
25 things have been put into place for today's presentation.

1 We have 20 projects in our region that have a
2 toll component. We have both stand-alone toll roads and
3 tolled managed lanes as part of our air quality
4 initiative. Today's presentation is now to take the last
5 step in what is the appropriate toll road institutional
6 mechanism to get it built in each of these particular
7 corridors.

8 In our region we divide our toll roads into
9 five categories of toll projects, and before I do that,
10 let me give you a quick update on how the planets have to
11 align in order to build any transportation project in a
12 non-attainment area.

13 You first have to have the project in the
14 metropolitan transportation plan of a particular region.
15 In a non-attainment area you have to do air quality
16 conformity or you stage that plan to the appropriate time
17 frame and demonstrate to the public its air quality
18 baselines in meeting the state implementation plan goals.

19 You have to have the implementing agency
20 environmentally clear the project, of which most of the
21 ones we're focused on are done; some of them are being
22 reevaluated because we're building them as toll roads
23 which is key to our presentation.

24 I'm here to say thank you to your staff and
25 this commission action from the fall where you took the

1 regional transportation council's recommendations, your
2 interest in Strategic Priority funding for the Funnel
3 Project. We have been able to fully fund all of the
4 projects that you see on this particular list. Now, four
5 of them are staged construction where we don't have money
6 to build the whole project, but most of the monies that
7 are delivered in these projects is a partnership between
8 gas tax supported money and \$6 billion worth of revenues
9 that are coming from toll facilities.

10 We are at the luxury now to be at the last step
11 which is the institutional mechanism. If TxDOT is going
12 to build a toll road, what institutional mechanism are
13 they going to use; which toll roads are best built by the
14 North Texas Tollway Authority; should we use a CDA or your
15 toll road division or some other mechanism to do that.
16 And I'd like to walk you through that process today.

17 Our tolled projects, either stand-alone toll
18 roads or managed lanes, fall into five categories. The
19 first is called vertical integration with additional
20 funding support. What I mean by that is vertical, you're
21 going to see us stacking revenue sources or leveraging
22 from a particular project on top of each other. When you
23 have shifted from a gas tax supported situation with
24 decisions in Austin to a regional decision, I'll show you
25 in a couple of projects, I'll show you from 30,000 feet,

1 the Dallas District engineer will show you specifically
2 the projects we negotiated in that vertical integration
3 process.

4 You have other stand-alone toll road projects
5 with minimal funding support, so the expectation can't be
6 you can stack the blocks this high. And we're going
7 through a process right now to determine which ones should
8 be TxDOT-initiated, through our CDA process, or should be
9 integrated into the next category which we call horizontal
10 integration.

11 Horizontal integration is the ability to take
12 an existing toll authority -- in our case, the North Texas
13 Tollway Authority -- who has a good bond rating, who has
14 system toll benefits, can leverage their money or cross-
15 collateralize their money to more than one particular
16 project. What you've got to make sure you do in this
17 business is don't cherry pick the best toll road projects
18 and have then as stand-alone toll projects and you don't
19 have enough revenue to be able to systematize the toll
20 revenue to build all the transportation projects in the
21 whole corridor.

22 So the first two are individual corridors,
23 third is system, and I'll show you some examples of that.

24 In Dallas-Fort Worth, most of our
25 reconstruction of projects have managed lanes, there are

1 express lanes in the middle. There are tolled HOV-users
2 who will have a discount or some incentive to car pool in
3 our non-attainment area; excess capacity will be sold to
4 single-occupant vehicle travel.

5 And then the last one, somewhat innovative, is
6 to integrate a regional project with your intercity Trans-
7 Texas Corridor, and you know our region has come before
8 you that says that we think the best way to develop the
9 Trans-Texas Corridor near Dallas-Fort Worth is to
10 integrate it into the regional transportation system. So
11 we call that regional and intercity project integration
12 where you're killing two birds with one stone by
13 integrating that into the same particular facility.

14 So if you wanted to talk to us about a toll
15 road, each of our toll roads will fall into one of these
16 five buckets. Now let me share with you the merits on
17 each one.

18 Vertical integration with additional funding
19 support. It's nice to be under the bright lights today
20 because two years ago we were in a pretty dark corner
21 here. We had a Texas Transportation Commission who
22 recently funded 121 in Denton County and 161 in Dallas
23 County with gas tax monies. You set up a situation where
24 we had to then knock on their door and say well, the good
25 news is the commission has funded you with gas tax, the

1 bad news is we think they made a mistake and you should
2 consider a toll road.

3 We encouraged that your TxDOT Minute Order
4 109519 be done which gave us permission as a staff,
5 through your districts, to knock on their door and try to
6 convince those two communities a toll road would be a
7 better option.

8 It was also a dark day because we had to knock
9 on their door and convince them yes, the good news is -- I
10 know there's still champagne bottles on the floor --
11 you've got gas tax money for your freeway, but we're going
12 to suggest to you it's not the best way to build
13 transportation in your part of the world. We had to come
14 up with a phrase, the phrase we came up with was "Near
15 Neighbor/Near Time Frame"; it's right here, right now,
16 that philosophy; we'll show you a map that instead of
17 getting this one gas tax supported roadway, we'll show you
18 a system of transportation improvements in your near
19 neighbor built at the same time frame as part of that
20 particular process. And your district engineer Bill Hale
21 will show you that.

22 This category of funds applies to 121 in Denton
23 and 161 in Dallas County. We strongly suggest
24 comprehensive development agreements as your best private
25 sector structure to do it. After dozens of meetings, Mr.

1 Brown, we have convinced two communities to move forward
2 aggressively, and today is a happy day.

3 Let me show you at 30,000 feet the mechanics of
4 the funding under the "Near Neighbor/Near Time Frame"
5 proposal. Mr. Chairman, you had asked how much in 121
6 from, I think you said, basically the airport all the way
7 up to Collin County is roughly \$500 million; \$230- of it
8 or so was in Denton county. So I'm showing you the 121
9 project in Denton County where you had originally funded
10 somewhere around \$230 million.

11 The strategy in place -- and the timing is
12 critical -- we took that \$230 million, continued to put
13 that project to construction, we hope you will use a
14 comprehensive development agreement and sell that asset
15 through a private sector representing your interests in
16 that particular corridor. That will produce toll bonds.
17 That toll project is so positive it will actually create
18 more revenue than the construction cost of the particular
19 project. Those funds will stay in that community in a
20 "Near Neighbor/Near Time Frame".

21 Denton County also passed local bond program
22 funds that they wish to put into this party with regard to
23 integrating. \$57 million of county funds in Denton County
24 are going to fund Interstate 35 and NAFTA Corridor as part
25 of this partnership program.

1 We had already had some Surface Transportation
2 funds from the MPO; working with Bill Hale to get this
3 over the hump, we used some Category 2 funding; remember
4 that toll project produces excess revenue over time which
5 gets you up to \$900 million. Continuing the leveraging
6 process, some of the additional projects we're going to
7 build have managed lanes on them that also produce toll,
8 so you've a secondary and tertiary benefit of the managed
9 lanes that are going to be on the NAFTA Corridor.

10 Instead of a \$230 million project of which you
11 would have got that gas tax supported roadway, we think
12 there's a billion dollars of transportation funds that
13 will stay in the general vicinity of Denton County to
14 build other transportation projects. You don't have that
15 in a lot of places. You have it in 121 in Denton and 161
16 in Dallas.

17 Most of our projects aren't blessed where you
18 already canonized a project with gas tax money, so we have
19 to go through a process -- which we're going through
20 now -- to determine the best way to build that project.
21 Collin County's 121 is an example, State Highway 360 in
22 Tarrant County, 121 in Tarrant County. We have lots of
23 toll roads that are going through this process.

24 The option is go ahead, in this case, using
25 TxDOT's instruments as a comprehensive development

1 agreement -- and I use the term near neighbor now because
2 there is no "Near Neighbor/Near Time Frame" -- you would
3 have to produce excess revenue over time to help a
4 project, there is no bonding capacity to help other
5 transportation projects immediately. Or we use this North
6 Texas Tollway Authority notion of system toll financing
7 and take the advantage and credits of our toll authority.

8 We've got to remember the importance of toll
9 system financing or the leveraging of monies across
10 projects because we already are collecting toll revenues
11 from existing toll roads of which they are producing
12 revenue. Similar to a CDA bringing funds to a particular
13 project, this is a case where our own toll authority can
14 bring funds to a particular project.

15 The key part is, in my opinion as a staff,
16 there's equity issues that the funds return to the areas
17 in which people are putting tolls into the project, and
18 there's a needs focus. Our region is \$55 billion short if
19 you add up our capacity and our infrastructure -- and I've
20 sat at this podium and gave you that presentation
21 representing the Texas Metropolitan Mobility MPOs from
22 across the state -- and it's critical that we leverage
23 projects to meet this financial crisis that we all know
24 exists.

25 The third category of projects is the

1 horizontal. This is where we work with the North Texas
2 Tollway Authority, it uses system toll financing. In this
3 case North Texas Tollway Authority would be the lead.
4 There still needs to be, in the opinion of staff -- and
5 these items will be going to our MPO board in the next two
6 months -- some vertical programming. What we mean by that
7 is excess revenue is generated from these toll roads to go
8 back to those particular communities to build more
9 transportation.

10 Now, it's going to be hard to systematize tolls
11 on five corridors all at the same time. We're looking at
12 staged construction of these particular corridors. Do we
13 have to build both bridges over Ray Hubbard right now, or
14 can we put the traffic on one side, combining the traffic
15 on one bridge? If in fact excess revenue is generated on
16 the project, we may wish the North Texas Tollway Authority
17 to have first dibs on that money to build the other half
18 of the bridge as part of that particular process, so you
19 don't generate revenue for other transportation projects
20 without completing the main toll road project to begin
21 with.

22 And we're calling it the "Regional 5"; there's
23 five of those projects considered in this category: 121
24 in Collin County; in Denton County is the Lake Lewisville
25 bridge; in Dallas County it's the George Bush extension

1 between 78 and 30 and the Trinity project in downtown; and
2 the fifth is the Southwest Parkway in Fort Worth that goes
3 from downtown to Cleburne. I'll lay out a schedule of
4 which we will resolve those questions, I think, in the
5 next 60 days.

6 Managed lanes, this is a major part of our air
7 quality initiative, this is part of our management plan,
8 this is part of homeland security, this is part of
9 emergency preparedness, to take control of the freeways in
10 case of an emergency to move traffic in a particular
11 direction. A lot of these facilities may be reversible,
12 for example. It's a critical part of our air quality
13 delivery system.

14 This is where our transit partners come in and
15 help manage the operation of those occupancy levels.
16 Clearly we need a streamlined capability to deliver
17 CDAs -- and I'll talk about the 820/183 project in a
18 moment -- but we think all of our managed express lanes
19 will be using TxDOT's tools to implement the financing of
20 those particular projects.

21 I can't leave here without taking 12 seconds
22 and at least reminding us of the Trans-Texas Corridor
23 recommendations within our region which is a Trans-Texas
24 Corridor that comes up in the middle, uses our State
25 Highway 360 toll road, and integrates the loop system

1 planned for a future generation within the region to the
2 same Trans-Texas Corridor elements that you're trying to
3 do where you combine the intercity and the within-region
4 facility integrated into the same corridor, developing
5 economies of scale with that particular concept.

6 Let me finish with schedule; this is where I
7 think we are. State Highway 161 and 121 -- those are two
8 examples in our first bucket of vertically integrated
9 projects -- we're working with your staff to get CDAs up
10 and running on those particular corridors as quickly as
11 possible. Let me underscore them as quickly as possible
12 because both of those projects are under construction. If
13 those CDAs and environmental clearances don't happen in a
14 timely fashion, that 121 facility will be ready to be
15 opened for traffic, our policy is we will not convert a
16 free lane to a toll lane, and we will lose that leveraging
17 that I showed you in that particular graphic. We're not
18 too late yet but we're working close, and your staff very
19 much understands the time sensitivity of that particular
20 issue.

21 With regard to the second and third category,
22 do you go ahead and build an additional facility as a
23 stand-alone toll road or do you integrate it into the NTTA
24 system -- of which we hope to at least get five -- here's
25 the process that we're going through.

1 We're here today to answer your particular
2 questions on where the region is in making those
3 decisions. The North Texas Tollway Authority we hope will
4 take action implementing a similar schedule to reach a
5 resolution of these topics. We will go to our regional
6 transportation council, our MPO board, in January and
7 brief them with regard to the mechanics of this toll road
8 delivery institutional structure question.

9 We anticipate that the North Texas Tollway
10 Authority, the local governments and TxDOT can reach
11 agreement on excess revenue to be returned to these
12 particular corridors, at least in the Collin County area,
13 in the near term. We go back to the February MPO meeting
14 and send to you the institutional structure recommended
15 for the 121 corridor in the Collin County area.

16 So 121 in Denton, we think that ship has left
17 port and we're in the CDA process. The 121 toll road
18 project in Collin County, the boxes and goods are being
19 put on the docks, that ship should be leaving in the next
20 60 days.

21 The managed lanes we think are recommendations
22 you'll get from the MPO directly to your organization with
23 regard to comprehensive development agreements. We're in
24 the middle of discussions and I know you're in a
25 procurement process, so I can't probably add a lot, but

1 I'll answer any questions you want

2 Maybe moving toward TxDOT-solicited CDAs is a
3 more timely procurement process than responding to
4 unsolicited CDAs of which you do not have a common
5 presentation from each of those presenters to do that
6 particular evaluation. And remember, it's easy for me to
7 say because I don't know any of the specifics, I'm not
8 involved in the procurement process, but I know it would
9 be very difficult to compare limits are different or items
10 are different in an evaluation.

11 I think the toll situation in Dallas-Fort
12 Worth, since we've worked on it since '93 and we may be
13 unique in this, we have matured our recommendations to the
14 point that I think we know enough about the particular
15 projects that we can just solicit the private sector
16 interest, and I think they, frankly, could use the benefit
17 of knowing exactly what we're asking than sending smoke
18 signals up and saying does it look something like this.

19 And then remember, your process, you're
20 underway, the region is waiting patiently, hopefully with
21 a consensus position, that the Trans-Texas Corridor in our
22 region is consistent with the earlier presentations that
23 you had.

24 Mr. Chairman, maybe in the interest of time
25 I'll come back and answer your questions. Bill is going

1 to show you some of the specifics that took us from the
2 dark side to the light side as we work with these
3 communities on leveraging these particular projects, and
4 I'll be more than happy to respond to your questions.

5 MR. WILLIAMSON: I think, members, Michael is
6 signaling that he would prefer Bill to present and then
7 for us to ask questions of them jointly. Can I infer
8 that?

9 MR. MORRIS: Yes, sir.

10 MR. WILLIAMSON: While we're having Bill come
11 to the podium, Coby, did you find some of these? Did you
12 hand these out? Everybody in the audience has one of
13 these?

14 MR. CHASE: I believe.

15 MR. WILLIAMSON: We may make this a monthly
16 habit; we may start handing these out each month. I'll
17 wait for Amadeo to come back up to discuss that.

18 MR. HALE: My presentation will go into more
19 detail than Michael did on some of the things we've got
20 going. What I'm going to show is going to be very brief
21 but it will show how we're quantifying the performance
22 measures in our area, using the Texas Congestion Index and
23 how it would go out for 25 years. I'm going to show you
24 the plan we're using, using the five goals, the four
25 strategies, and the principles that it's based on that you

1 mentioned earlier.

2 MR. WILLIAMSON: Bill, do you have sons?

3 MR. HALE: Yes.

4 MR. WILLIAMSON: Does one of your sons play
5 football?

6 MR. HALE: Yes.

7 MR. WILLIAMSON: Does one of your sons play
8 football for Abilene High?

9 MR. HALE: Yes.

10 MR. WILLIAMSON: There are nine of us in this
11 room from Abilene; we want to know what happened.

12 MR. HALE: Well, let me tell you what happened.
13 We did hit them bump and run and the receivers went out
14 for the pass.

15 MR. WILLIAMSON: Fifty-three points worth?

16 MR. HALE: Fifty-three points worth of bump and
17 run. They caught the short ones and they caught the long
18 ones, and then they beat us.

19 (General laughter.)

20 MR. HALE: We had a good team, we had a good
21 year, and I will brag that my son did make second team all
22 district.

23 MR. WILLIAMSON: Great. We're proud for him.

24 MR. HALE: I will also show you how we are
25 using the fee base to subsidize our tax base or our gas

1 taxes in our area, and I'll show you the progress we're
2 making in this area based on using the fee based system
3 using regional roads, and this is important because in our
4 area we're running out of room for new roadways, and the
5 best dollars that we're getting on projects, feasibility-
6 wise, are pure toll roads and there's a few toll roads in
7 our region that are regional toll roads that will provide
8 this for our region if we can get them now. If we wait
9 until it's too late, then we're out of luck.

10 This map shows you where we are with the Texas
11 Congestion Index. On the left side right there indicates
12 the index we're talking about. A 1.0 means a free flow, a
13 1.2 means 20 percent of the time you're in traffic, you're
14 spending about 20 percent more time in traffic when you're
15 in rush hour traffic. And so you can see right now that
16 over the next 25 years, up to 2030, if we don't do
17 something using anything other than the gas taxes we have
18 allocated for us, we're going to be \$55 billion in the
19 hole, we'll have a congestion index of 1.53, and we'll
20 need roughly 3,656 equivalent lane miles which can be
21 transit, can be anything you want to use, but it's
22 basically lane miles that we're having to come up with.

23 Now, our basic plan follows this. The goals
24 are: reduce congestion, improve air quality, extend the
25 economic opportunity of the region, improve safety, and

1 preserve or increase the value of our assets we have right
2 there.

3 MR. JOHNSON: Bill, let me interrupt.

4 MR. HALE: Yes.

5 MR. JOHNSON: The previous slide -- sorry for
6 the interruption -- the previous slide which shows a 1.53
7 congestion index years out, my interpretation is that
8 would mean that somebody is spending half of their time,
9 half again their time in congestion situations as opposed
10 to 1.0, which would be, as you described, free flow of
11 traffic.

12 MR. HALE: And I'll give you an example. Every
13 Friday I go home to Abilene and if I leave after three
14 o'clock it takes me two hours to get past Weatherford, if
15 I leave before three o'clock I can get there in an hour.
16 So it basically is the difference between two and three
17 o'clock.

18 MR. JOHNSON: That's a staggering
19 consideration.

20 MR. HALE: This is the average.

21 MR. JOHNSON: Time is something clearly we're
22 not reproducing and so time is valuable to everybody, so
23 when you consider the trip has half again added to it just
24 because of the time considerations of being in congestion,
25 that's a staggering situation, and of course, from our

1 standpoint it's a staggering challenge. Anyway, that's
2 the observation. Thank you.

3 MR. HALE: The goals here, as previously
4 mentioned, and we've put these goals into effect. The
5 strategies are: empower the regional and local control
6 and regional planning; use tools given to the state by the
7 legislation; invite public sector to be partners, and this
8 is important because I'll show you how it's helping us
9 now; put the competitive pressure on those making money on
10 transportation dollars.

11 The basic principles we've outlined -- and this
12 becomes effective because the roads I'll show you in a
13 minute will be regional roadways or state roadways which
14 need regional decisions to be made. It will require an
15 appropriate level of solution for the appropriate level of
16 problem, and that includes local roads with local
17 solutions, regional roads with regional solutions, and
18 statewide roads with statewide solutions. This also
19 includes short, medium, and long range plans that we have
20 in our area.

21 MR. WILLIAMSON: And Bill, it's entirely
22 possible, in fact, it's the case in our state that we have
23 many local roads that are actually owned by the state, but
24 they're really local roads.

25 MR. HALE: That's correct.

1 MR. WILLIAMSON: And it is the case that most
2 regional roads, if not all, are owned by the state. There
3 aren't any regional roads owned by local governments.

4 MR. HALE: That's correct.

5 MR. WILLIAMSON: And of course, all statewide
6 roads are owned by the state.

7 MR. HALE: And a good example here, you
8 mentioned before, is 121. There are seven counties it
9 passes through. It's a state/regional roadway on the
10 national highway system and it goes from Bonham all the
11 way down to Cleburne, and it goes through seven counties
12 and three districts.

13 MR. WILLIAMSON: So one of the dilemmas we
14 face -- and we're focused on 121 this morning because it's
15 something that's in the front of our brain right now, but
16 this is actually true for Bexar County. Tom, what's the
17 road, 1604? This is true for Harris County, the Grand
18 Parkway; this possibly true for Travis and Hays, State
19 Highway 130; and someday may be true for the Southwest
20 Parkway in Tarrant County.

21 But we're focused on this because there seems
22 to be some confusion about the definition of 121: is it a
23 local road owned by local government; is it a local road
24 owned by the state; is it a regional road owned by the
25 state; is it a state road owned by the state. And how the

1 ownership of that road and the obligations of the
2 different elected officials, or in our case, appointed
3 officials, place a burden upon us to make the most
4 rational decision or either the local community or the
5 regional community or the entire state. That's the sort
6 of the dilemma we face on 121, if I understand it
7 correctly.

8 MR. HALE: That's why I keep saying it's a
9 regional/state highway on the national highway system
10 which emphasizes the importance national-wide for it.

11 MR. WILLIAMSON: You can't make a regional road
12 a local road just because you want to, can you?

13 MR. HALE: I can't, no.

14 MR. WILLIAMSON: Okay, go ahead.

15 MR. HALE: These are the basic principles we
16 went with, and I'll show you what our regional
17 transportation council, for the next 25 years what we've
18 identified here. This shows if we only had traditional
19 money here, the gas taxes over the next 25 years would
20 provide \$19.2 billion in our region to handle mobility.
21 That doesn't get near what we need to have in our area,
22 quite frankly, and that doesn't include the \$55 billion
23 we've identified that we can't get to before we get to
24 that \$55 billion.

25 Now, what we have found here is that by using

1 conventional tolls we're able to get \$2 billion more than
2 what we have in traditional monies, so that puts us up \$2
3 billion, up to \$21.24 billion. Now, with public-private
4 partnerships, the groups that we've had -- and we have
5 quite a few of them, we have three unsolicited corridors,
6 we have two additional corridors that are being solicited;
7 we have one for 635 which is solicited; and we have
8 basically the public-private partnerships propose to build
9 400 miles of toll and managed lanes network with limited
10 tax dollars. The concept would be to deliver these
11 projects sooner and free up state, federal and other
12 conventional toll bonding capacity funds that would be
13 used on other critical projects in this area.

14 The financial impact of the public-private
15 partnership is significant and increases the delivery of
16 even more infrastructure by \$4.5 billion, so you can see
17 right now the first year we've looked at all this
18 leveraging, if you take the \$2- and the \$4.5-, we end up
19 with \$6.5 billion additional in our region that's going
20 above and beyond and towards the \$55 billion that we have
21 in our area, and this next map will show you that.

22 This shows you on our first blush, the first
23 year, if we do just what we've done so far, it knocks us
24 down to 1.47 to 1.53, that's the first blush, that doesn't
25 count some of the things we have in the works this next

1 year that does the same thing. You're going to see this
2 map start creating a humpback effect until at some point
3 you'll reach the goal of 1.2 which we feel like we're
4 never probably get to 1.0, but 1.2, you have 20 percent
5 more time in traffic, and I think we can reach that at
6 some point.

7 And some cases when we free up some areas, once
8 we get some additional projects going, you'll have a
9 bottleneck that shifts to another location at some point
10 that frees the whole thing up, kind of like when water
11 runs downhill and it finally has a place to go to the
12 ocean at some point and it will run on out. So you'll see
13 that 1.47 jump quickly at some point when other roads are
14 built.

15 MR. HOUGHTON: Bill, go back to your other
16 slide, the numbers. When you're talking about those kind
17 of dollars, are you talking about what kind of revenue
18 that will spin off?

19 MR. HALE: Yes.

20 MR. HOUGHTON: Is that just construction
21 dollars?

22 MR. HALE: That's just construction dollars.

23 MR. HOUGHTON: Do we know the anticipated
24 revenue? There's graphs that go with that as to the
25 revenue generated per project.

1 MR. HALE: Yes, we've got that. And a good
2 example in Denton County, we show that the revenue it
3 generates, excess revenue which is included on our "Near
4 Neighbor/Near Time" stuff but it's there and it can be
5 used.

6 MR. HOUGHTON: Are we using that excess
7 revenue? Is it back into the system?

8 MR. HALE: Not yet; we will. That's why I'm
9 saying you'll see more so as we start identifying projects
10 that will be used with that excess revenue.

11 MR. HOUGHTON: Michael knows where I'm going
12 with it.

13 MR. MORRIS: I think, Commissioner, back to
14 that chart that I showed you, all the bonding projects
15 have been selected, and Bill will show you where those
16 are. We've taken a conservative nature, supporting your
17 point, that when it creates excess revenue, we'll work
18 with those communities or those communities will work with
19 us to determine more projects.

20 In Bill's presentation, those projects have not
21 been picked yet. So we didn't want to start picking
22 projects until the excess revenue was actually generated.

23 MR. HOUGHTON: I'm not into picking the
24 projects.

25 MR. MORRIS: So if you go back to my chart --

1 which I'm not asking you to do, Bob -- that notion of
2 excess revenue, that's revenue that's going to come, we
3 have not calibrated it into the congestion index yet
4 because those projects won't be selected until that
5 revenue is there.

6 So you may have \$2 billion of excess revenue on
7 its way that hasn't been integrated yet.

8 MR. HOUGHTON: What is \$2 billion leverage to
9 reduce your congestion index even further?

10 MR. MORRIS: Well, as Bill said, you're going
11 to see this hump start to come down pretty significantly.

12 MR. HOUGHTON: That's the key.

13 MR. HALE: As you start rolling it, you start
14 rolling the thing year after year, you identify those
15 projects, and suddenly you'll have a mechanism to start
16 making that hump run over to go towards the 1.2.

17 Now, this next chart I want to show you right
18 here, this is important because this is how we're going to
19 set up our fee base. These regional projects that we're
20 looking at in our region to take care of this. We were
21 running along there, getting a hardy Hi-Ho Silver on 121
22 and 161 in Dallas when we did that.

23 Now, what this shows you is 121 and 161, the
24 first time it comes up it shows the bond capacity. That's
25 the first bite of the apple. You bind the project and

1 then you either free up dollars or you build the project
2 to take care of it. The second bite of the apple is
3 excess revenue that's created off of it, either by freeing
4 up tax dollars that were already placed in the roadway
5 which happened on 161 and 121, future excess revenue that
6 comes up in the future, or public-private partnerships
7 that give you a concession fee up front or give you fees
8 over time as the time goes by.

9 And what we've identified here is 161 which
10 takes care of western Dallas County right there, keeping
11 the money in the district it comes from, and you see the
12 influence lines that it will actually do projects in that
13 area, and I'll show you in a minute which specific
14 projects we're talking about.

15 Then we get to 121 and it takes care of the
16 entire Denton County up there and creates a fee base that
17 will take care of that entire county for years to come.

18 The next one is 121 in Collin County, it takes
19 care of the entire Collin County and the money that's
20 coming off there is so significant that it will take care
21 of that and be the major source of revenue in that area
22 for projects.

23 We have the eastern extension on 190. This
24 will take care of projects on the eastern side of Dallas.

25 You can see the influence lines it has, and they actually

1 will overlap each other as time goes by here, but that's
2 what you do.

3 Then the next one will be the Trinity Parkway;
4 we're putting \$400 million into that project. That will
5 take care of the central and the southern part of Dallas
6 as it comes along here. And then as 190 comes around the
7 south -- it's actually Loop 9 right now -- it's green
8 right there because we haven't identified projects, but
9 this has been going on for years and as this becomes a
10 major funding mechanism in the southern region, you'll
11 have the entire Dallas District taken care of with funding
12 projects in the area.

13 And I'll show you how this is taken care of
14 now, realizing these are regional roadways, and that's why
15 we chose these, and these are ones that are identified as
16 pure tolls because they have not been in the ability to
17 have to be converted yet at the time. And those blue
18 lines would tell you what "Near Neighbor/Near Time" would
19 be.

20 This route here shows you 161. What you're
21 going to see right here is roughly \$741 million being
22 freed up in the area that we were able to free up with tax
23 dollars. It was built with tax dollars. When the
24 frontage roads and main lanes were allocated, we freed
25 these up and we ended up with basically \$741 million of

1 projects that can be built in the area before we even get
2 to the excess revenue that's on there. The excess revenue
3 is in excess of \$650 million over a 40-year period.

4 MR. WILLIAMSON: Time. Michael, refresh my
5 memory. What role does 161 play, if at all, in the
6 region's proposed integration of the Trans-Texas Corridor?

7 MR. MORRIS: I don't know if a pointer will
8 work on your glass screen.

9 MR. WILLIAMSON: Wait. I've got a pointer.

10 MR. MORRIS: State Highway 360 is frontage
11 roads right now in that section. No, not that far. Start
12 at the bottom, Mr. Chairman, we're heading north, and stop
13 at 20. So you stop at 20. We're going to build what's
14 called a collector-distributor system or freeway ramps
15 over to 161. 161 then heads north and connects with the
16 North Texas Tollway Authority north of 183. That 161,
17 probably the neatest project the region has ever built,
18 the North Texas Tollway Authority just opened up the 161
19 to 35, what we call the Super Connector. That's now open;
20 we think it will take 60,000 cars a day off the NAFTA
21 Corridor in north Dallas. That then extends to the north.

22 So we're hoping your Trans-Texas Corridor feeds
23 into State Highway 360 and in the near term, the toll
24 roads system that we're describing here would be the
25 backbone of that in the short term. Longer term, at the

1 appropriate time, you could build the bypasses to this
2 central region.

3 If my memory is correct, 161 was part of the
4 feeding of the Trans-Texas Corridor.

5 MR. WILLIAMSON: Is there enough right of way
6 on there to take care of that for a while?

7 MR. MORRIS: Yes, sir. Judge Barefoot Sanders,
8 in his ruling, has given TxDOT plenty of right of way in
9 that particular corridor.

10 MR. WILLIAMSON: Okay, Bill, go ahead.

11 MR. HOUGHTON: So Bill, where's the excess
12 revenue off the 161?

13 MR. HALE: The excess revenue right now, the
14 first excess was freeing up the tax dollars which amounted
15 to \$207 million of Cat 2 money. We also had \$534 million
16 that we had.

17 MR. HOUGHTON: All displacement, you're
18 displacing tax dollars.

19 MR. HALE: Yes, we're displacing that to the
20 whole region right there, and those projects right there
21 show that right now.

22 In addition to this, in the future what we're
23 looking at is this could help fund the southern gateway
24 project or any other project, but we're looking at
25 projects that you could take the \$650 million and 35 and

1 67 down in the southern Dallas region right there could be
2 funded with projects from the excess revenue that's taken
3 from that project. That's, of course, the NAFTA highway
4 that's coming up through there, that's 35 and 67 are where
5 it comes up and comes together and goes into downtown
6 Dallas right there.

7 MR. WILLIAMSON: Amadeo, remind me to ask you a
8 question about excess revenue; don't let me forget.

9 MR. HALE: The next project we have is Denton
10 County and this is the one that we've done in Denton
11 County and we're moving forward with it and we have a
12 comprehensive development agreement, or the unsolicited
13 proposals that are moving forward here. It actually goes
14 over into Collin County but we were looking at the
15 different opportunities and options at this time now.

16 What you see right here is we can free up \$463
17 million right here to build other projects, and this is
18 important because it basically takes care of 35 which is a
19 big project in our area, one of the most congested
20 projects, going up to Denton County. And when we first
21 looked at it, it would only go a certain amount, but when
22 we did the second level feasibility study, it shows about
23 twice as much as this \$463 million. And this includes
24 county funding which frees up \$78 million worth of their
25 bonding capacity, it also frees up TxDOT and RTC funding.

1 But what can happen is now we can take 35 all
2 the way up to 380 up there which if you've ever been up
3 35, you know how bad it is. But that roadway will be
4 taken all the way to 380 which right there it shows
5 stopping just north of Lewisville Lake right there.

6 And this doesn't include the excess revenue
7 that will come off this project, and we get it now through
8 the concession or later whenever, as time goes by, but
9 that will be in excess of a billion dollars, quite a bit
10 in excess.

11 Now, the next project we have is in Collin
12 County, and of course, we're working with Collin County to
13 work this issue up. This project, the state, so far on
14 this section of roadway, has spent \$146 million on
15 frontage roads and some main lanes that are out there
16 right now. We've also spent another \$140 million on right
17 of way, for a total of \$286 million. To complete this
18 project and make it a complete project, including
19 interchanges, it's going to be about \$366 million
20 additional coming up in the future for that.

21 It is toll-feasible, and we've gone to the
22 region, we've had 35 meetings out there -- in excess of 35
23 meetings, going back and forth with this and how we're
24 going to play this out. At one time there was a local
25 government corporation that was going to be presented

1 here, it went away, and now they're looking at basically
2 two options. They understand that tolling is the
3 mechanism to use here. Basically two options are
4 available right now: either CDA or NTTA doing it through
5 their system financing, or the CDA doing it stand-alone
6 and providing money to build other projects.

7 I will take this point to say what TxDOT
8 believes, and TxDOT believes the option that provides the
9 most benefit to the state is the use of the CDA to finance
10 the corridor. As the present value of the toll revenue is
11 on the order of magnitude to finance the completion of
12 121, \$366 million, plus widening and financing of US 75
13 from SH 121 south to the Grayson county line which is \$400
14 million. So if a CDA were to get this project, you can
15 actually fund 75, and 75 is one of the highest priorities
16 in our region for improving up to the county line.

17 With all that in mind, I want to show you what
18 121 does here. This is the regionality of the roadway.
19 What this shows you, the left column is the most important
20 column; this is how you would be tolled based on the
21 percent share of vehicle miles traveled. And if you'll
22 look through here, the yellow at the bottom shows that
23 Collin County basically provides about 57 percent of the
24 traffic but 42.5 percent of the traffic is outside the
25 county. And if you look up there through the percentages

1 of vehicles being used in those cities and counties, you
2 see a big portion of these vehicles are from outside the
3 county itself.

4 MR. WILLIAMSON: Go back to the previous slide.

5 Now, if you went the CDA route, on the presumption that
6 you would have a large concession fee, what projects would
7 you then finance?

8 MR. HALE: 75 going up north.

9 MR. WILLIAMSON: From where to where?

10 MR. HALE: If you'll look at where 121 ties
11 into 75 right there where that end project starts and you
12 go north all the way to the county line with it, that
13 would be \$400 million.

14 MR. WILLIAMSON: Which cities would that most
15 likely benefit besides the cross-state traffic?

16 MR. HALE: McKinney, it would benefit Melissa,
17 it would benefit Anna, and anyone in northern Collin
18 County up there.

19 MR. WILLIAMSON: What was the other project you
20 said, 121?

21 MR. HALE: 121. There's a push to 121 out to
22 the east going out towards Bonham, and that affects
23 Melissa. That area out there needs to be built, as well
24 as 380 coming across here to complete some of the projects
25 we have there, as well as the interchange at 289 at 380.

1 MR. WILLIAMSON: I'm not an engineer so
2 sometimes I ask dumb questions. When you expand 75 north
3 of Allen, does that have the effect of relieving
4 congestion to the south?

5 MR. HALE: Yes, it frees up the bottleneck that
6 you have coming up through there.

7 MR. WILLIAMSON: What cities would benefit then
8 by freeing up the bottleneck?

9 MR. HALE: It would free up Allen, it would
10 free up Plano, it would free up McKinney. In addition,
11 there's opportunities to improve 75 down south into the
12 southern part of the county as well.

13 MR. WILLIAMSON: I see. Okay, thank you.

14 MR. HALE: With that, I have completed my
15 presentation.

16 MR. HOUGHTON: The number of counties or cities
17 using that asset as a regional -- well, it's a state road,
18 a regional road, 42 percent?

19 MR. HALE: There's seven counties.

20 MR. HOUGHTON: Seven counties.

21 MR. HALE: And it services DFW Airport. I
22 guess Sam Rayburn was the one who instigated that years
23 ago to have it come from Bonham to DFW Airport area.

24 MR. HOUGHTON: The excess off of 121 on a CDA,
25 you're thinking that there's going to be a concession on
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1 the front-end to leverage dollars on the others.

2 MR. HALE: Excess revenue could be taken out
3 over a 40-year or 50-year period or you can take a
4 concession fee up front, similar to what the Trans-Texas
5 Corridor, that could pay for these projects now, or
6 somewhere in between, anything in between.

7 MR. HOUGHTON: Okay.

8 MR. SAENZ: Thank you, Michael and Bill.

9 I guess just to kind of to continue and I guess
10 we talked about that there are different types of
11 procurements under the comprehensive development agreement
12 process. Of course, you can go from a simple design-build
13 project where the funding comes from the public entity.
14 Our 130 project is a design-build project; most of the
15 projects that have been built to date across the state are
16 projects that are funded by the local entity, they take
17 the risk and go out there and borrow the money from the
18 bond market, and then of course, they operate the toll
19 roads and pay off the bond market and eventually create
20 surplus revenue to be used for other projects.

21 But a CDA also allows us the opportunity to be
22 able to go all the way to the other end of the equation,
23 you might say, and do a concession. And under a
24 concession, basically we bring in a developer partner that
25 will not only design and build the facility, they will

1 maintain, operate and finance the facility for the
2 department.

3 MR. HOUGHTON: Amadeo, let me ask you a
4 question. Under the CDA, the other thing I don't think
5 we've talked about is what type of liability do we remove
6 ourselves from maintaining that asset?

7 MR. SAENZ: Under the CDA with a concession
8 where you have an operating partner that builds it, that
9 liability is then transferred over to them. So basically
10 the liability for the maintenance, the operation, for the
11 guarantee of the traffic based on those projections, is
12 now moved over to the developer.

13 MR. HOUGHTON: So on 121, what kind of
14 liability are we removing over a period of 40 years,
15 roughly? That's an unfair question.

16 MR. MORRIS: About \$600 million.

17 MR. HOUGHTON: \$600 million?

18 MR. MORRIS: In today's dollars.

19 MR. HOUGHTON: In today's dollars.

20 MR. SAENZ: According to Michael, it's about
21 \$600 million.

22 MR. HOUGHTON: So that gets reallocated to the
23 district as maintenance and preservation. Right?

24 MR. SAENZ: Yes.

25 MR. WILLIAMSON: Or construction.

1 MR. SAENZ: It will free up the maintenance and
2 operation dollars that are being used now for 121 for the
3 next 40 years.

4 MR. HOUGHTON: Which we're using 100 percent of
5 the gas tax money right now on maintenance.

6 MR. SAENZ: Yes. Those can be used for other
7 projects to either add more to maintenance and operation
8 of other facilities or to use them to build other
9 facilities.

10 So under the concession agreement, basically we
11 can have someone take over all of the operation.

12 The benefits of a concession CDA is that it
13 provides for private equity to be brought into the
14 development of the project. Under a concession the
15 developer partner designs, constructs, maintains,
16 operates, finances the project, they take all the risks,
17 and of course, for the right to operate that facility they
18 will provide us a concession payment, and that concession
19 payment can be a lump sum up front or it could be a
20 partial lump sum up front with a shared revenue fee based
21 on the project. And of course, those are all put together
22 and when you request proposals you can ask for those to be
23 submitted so they can be evaluated to find out what is
24 better for the area.

25 But it is a mechanism where you can bring in

1 new money, this allows you to free up monies that you
2 would have put in place for a project that was through our
3 traditional funding, and it's very similar to what Bill
4 and Michael talked about that some of those projects that
5 were already funded, if you go out and you get a
6 concession on these, that concession fee will replace that
7 money so now you can take that money and use it for other
8 projects in the area. And as you move forward, that
9 concession fee, if you're doing revenue sharing, can allow
10 you to do projects, as Bill talked about, based on the
11 excess revenues.

12 MR. WILLIAMSON: Stop right there. Did you get
13 all your questions answered, Ted?

14 MR. HOUGHTON: Sure.

15 MR. WILLIAMSON: I want to make sure I
16 understand some things as you proceed. The concession fee
17 that a private sector person would pay, is it restricted
18 in its subsequent use? The gas taxes are restricted to
19 the construction and maintenance of roads.

20 MR. SAENZ: Yes, sir.

21 MR. WILLIAMSON: Is a concession fee restricted
22 to the construction and maintenance of roads?

23 MR. SAENZ: Under 2702 comprehensive
24 development agreements, concession fees may be used by the
25 department to finance the construction, maintenance and

1 operations of a transportation project or an air quality
2 project in the region, and then it further defines what
3 the region is. Let me go back and make sure I cover it
4 right.

5 A region means a metropolitan statistical area
6 and any county contiguous to the MSA or to adjacent
7 districts. So it gives you an area where you can spend
8 that concession fee.

9 MR. WILLIAMSON: Well, tell me a little bit
10 about transportation projects. Would that, for example,
11 include an extension of the light rail line?

12 MR. SAENZ: Under transportation project you
13 could do a toll or non-toll state highway improvement
14 project, you can do a toll project eligible for department
15 cost participation, you can do acquisition construction
16 maintenance, you can do acquisition construction
17 maintenance of a rail facility or a system under Chapter
18 91; you can also do acquisition construction maintenance
19 of a state-owned ferry, you can do public transportation
20 projects, you can do aviation projects, or you can do
21 passenger rail projects. So you have a wide variety of
22 where that money can be spent.

23 MR. WILLIAMSON: So the region would have the
24 option of taking that concession fee and rather than
25 building another road, for example, if the region decided

1 that that money would reduce congestion or result in
2 greater safety or improve economic opportunity or improve
3 air quality or preserve the system better by extending the
4 "T", by extending the light rail system, by building a new
5 commuter line on the old Cotton Belt line, or whatever,
6 those funds could be used for that.

7 MR. SAENZ: Yes, sir. And if you recall, when
8 we asked them to put together the metropolitan mobility
9 plan, we asked them to look across modes of transportation
10 so that they did not just focus on solutions with
11 highways, because there is some benefits to be able to use
12 and develop other transportation projects of different
13 modes and you'll have a benefit to equivalent lane mile
14 expansions.

15 MR. WILLIAMSON: Now, I understand, just
16 watching my local newspapers, that there's some discussion
17 in North Texas, and I presume discussion will occur in
18 Bexar County and in Travis and McClennan County and in
19 Harris County as well, about how one balances some
20 communities using sales tax for public transit, some
21 communities not willing to do that but wanting public
22 transit, and some communities using their sales tax for
23 other things and not having the room to pay for public
24 transit.

25 MR. SAENZ: Yes, sir.

1 MR. WILLIAMSON: Have we done or has anyone
2 taken a look at how the regional toll system could
3 actually replace that sales tax as a revenue stream for
4 public transit?

5 MR. SAENZ: I'm going to ask Michael, since he
6 does most of the planning.

7 MR. WILLIAMSON: I think he has eyes in the
8 back of his head, Michael.

9 MR. MORRIS: Mr. Chairman, it would be easy to
10 stand before you and say this is an easy solution: we
11 have a transit need and we have excess revenue, why don't
12 we just go ahead and take the excess revenue from the
13 roadway side and fund the transit. The problem is,
14 probably my responsibility more than anyone else in this
15 room, I have to look out for the transportation system in
16 2025.

17 We have a financial crisis on the roadway side,
18 we have a transit need on the transit side. So the policy
19 in our particular region right now is even though we have
20 those particular flexibilities, we have what we call
21 firewall protection. We don't let revenue sources that
22 could go to the roadway side to leak to the transit side,
23 and we don't want revenue sources that go to dedicated
24 transit to leak to the roadway side.

25 And the policy officials to date support that

1 firewall notion because they know it would be easy to
2 start say taking excess revenue from a particular project
3 and maybe extending the rail to Frisco or to McKinney.
4 Now we have two problems: do we have the operating funds
5 to run that railroad forever because operating costs on
6 the transit side have to be inflation-adjusted as salaries
7 and other costs go up, and we still haven't answered the
8 \$55 billion crisis on the roadway side.

9 So the policy to date is to stay firm to
10 leverage the roadway funds for more roadway projects to
11 rebuild an aging infrastructure and to work with the
12 legislature in expanding the use, in this case, of sales
13 tax or other revenue sources that don't go to the roadway
14 side to be able to fund the rail strategy.

15 The easy part would be to say yes, let's just
16 go ahead and cross-subsidize between the modes, but some
17 of us feel we would be doing an injustice to the
18 transportation system that we're going to need 25 years
19 from now.

20 MR. WILLIAMSON: And certainly as part of --
21 here I'll reference my handout -- as part of our goal and
22 strategy-based method of organization, we want to empower
23 local and regional leaders to make these decisions, and we
24 do want consumers to drive the decisions that all of us
25 make.

1 And what you're saying is the region is aware
2 and cognizant that the laws have been changed to permit
3 that to happen and it is the collective judgment of local
4 and regional leaders not to do that, then that's your
5 choice and that's okay with us. I think what's important
6 to the commission is that leaders in North Texas and
7 Southeast Texas and Central Texas and Far West Texas
8 understand that the governor and the legislature have made
9 these things possible, you've decided not to do it.
10 You're answerable to your constituency and that's fine
11 with us.

12 MR. MORRIS: We have a legislative task force
13 made up of our North Texas Legislative Delegation sitting
14 down with elected officials now to resolve the funding of
15 the transit situation. If six months from now that
16 transit situation ends up with there will not be any
17 funding for transit, then the policy officials will have
18 to re-look at that particular question with regard to that
19 particular barrier.

20 Now, when it comes to the fifth pot of money
21 which is the Trans-Texas Corridor, one of the options
22 there is we think your CDA in that particular case will
23 produce excess revenue for the state. That is an
24 intercity transportation commitment that is being made.
25 We hope some portion of that intercity benefit would be

1 allocated in a similar "Near Neighbor" notion; some of it
2 would come back to the Dallas-Fort Worth region. Maybe in
3 that particular case the policy would be to work on goods
4 movement strategies because goods movement, both truck and
5 freight trains, are intercity, the source of the revenue
6 is intercity, and maybe the source of the money could be
7 flexed to the railroad side in order to help with Tower 55
8 or get trains out of downtown or something.

9 I think, Mr. Chairman, each one of those
10 leveraging opportunities needs to then be applied to the
11 flexibility tests that you're describing. Right now until
12 the legislature tells us no on the public transit
13 question, we're maintaining that particular firewall. An
14 option under Category 5, which is Trans-Texas Corridor,
15 we'd love to have a discussion with you with regard to is
16 this potential monies that would go back to the commission
17 because this is a regional item in your triage of fidelity
18 of regional, statewide or local. We would love to have a
19 conversation is this something that could be used to help
20 either the constitutional amendment that just passed or
21 the MOUs your governor has approved with the railroads.
22 Maybe that's a potential funding source in that particular
23 category.

24 I don't want you to think every time you ask us
25 we're in a non-flexible situation. We have a rationale

1 that in certain circumstances we wish to not be flexible,
2 in other circumstances we wish to be very flexible.

3 MR. WILLIAMSON: And we understand that, and
4 like I said, we're very respectful of the notion that our
5 strategy is to empower local and regional governments to
6 make decisions. I just think that we get a little bit
7 confused. We read one day that some of your local
8 officials are arguing to increase the gas tax to build
9 roads, and then we read the next day that some of the
10 local officials in North Texas are arguing to raise the
11 sales tax cap to build transit, and we look around and say
12 well, if you really are attempting to get to a point where
13 all you're worried about is time and people and dollars,
14 moving them in the most efficient and effective way, our
15 view is you already have the tools to start making the
16 decision will tolls drive expansion of the commuter rail
17 system, will gasoline tax allocations drive the expansion
18 of the road system, and will they cross-pollinate.

19 Not that we would ever tell you what to do
20 because we're not going to do that. I mean, as long as
21 this guy is governor and this commission is set up the way
22 it is, we're in the business of using our financial
23 options, empowering regional government, putting
24 competitive pressure on everyone, and giving consumers
25 choice, those are our strategies.

1 MR. MORRIS: And our elected officials
2 understand that if you can flex the construction cost to
3 build a rail system, that often isn't the hard part of the
4 rail system, it's the operating cost, and the question is
5 going to be how are you going to maintain that operating
6 cost over time. And then they do their due diligence and
7 say to me, okay, if we're going to do this, how are we
8 shortening our \$55 billion shortfall on the roadway side,
9 and until I can answer all those questions, the policy
10 right now is to maintain that firewall.

11 MR. WILLIAMSON: Thank you very much.

12 Please continue, Amadeo.

13 MR. SAENZ: I guess just to add to what Michael
14 said, you look at the projects and you evaluate the
15 projects and you look at it from a total cost or a life
16 cycle cost, which would include your operation and
17 maintenance, and find out which project would give you the
18 better solution and the better of reaching our goal which
19 is reducing congestion. You can reduce congestion by
20 moving people off the road to rail, or you can reduce
21 congestion by adding more capacity, but they both have a
22 cost and you would evaluate each one and then the locals
23 would decide which would be the better way to go.

24 MR. WILLIAMSON: Yes, and that's where we want
25 to end up. We want to end up encouraging regions, not 16

1 different locals who form compacts but regions to use
2 those tools to make that rational cost-benefit decision.
3 That is exactly where we want the system to end up.

4 MR. HOUGHTON: One thing I need to ask Michael.
5 I'm sorry. Michael, when you look at the congestion
6 index up on the board, what effect does the DART system,
7 what effect does transit have on that congestion index?

8 MR. MORRIS: If you want to be an anti-rail
9 person, then ask a regional performance measure, how does
10 it change the regional performance measure. And the
11 reason why that's an unfair question to ask transit is
12 rail is often in ten corridors and not 116 corridors. The
13 best way to answer rail is what is the equivalent number
14 of roadway lane miles that you are moving during the peak
15 period.

16 That brochure I gave you on the inside tells in
17 each of our rail routes how many equivalent lane miles.
18 Central Expressway, for example, which is a depressed
19 facility, the community award-winning TxDOT project,
20 originally proposed to be elevated, very controversial,
21 that particular project is eight lanes with auxiliary
22 lanes, the public will not accept any additional lanes in
23 that corridor ever, that's the most it will be.
24 Underneath it is a tunnel with a light rail line in it.
25 That light rail moves every day the equivalent of four

1 lanes, two lanes in the peak direction in the morning and
2 two lanes in the peak direction in the afternoon. The
3 benefit of that particular project is that four lanes of
4 freeway capacity that in this case you couldn't build on
5 the roadway side, the public wouldn't accept it.

6 Light rail is \$50 million a mile, commuter rail
7 is closer to \$10-; most of the future of our region is the
8 \$10 million version. We're carrying the equivalent of
9 two-lane freeways in those particular corridors, so a rail
10 line to a Frisco or to a McKinney or to a Denton is the
11 equivalent of a two-lane freeway project. A lot of these
12 have 8- to 10,000 users a day on them, often peak
13 oriented. They don't run often in the off-peak or
14 nighttime time frames.

15 You're going to get a couple percentage points
16 push. It doesn't have the benefit of the goods movement
17 component which often impacts that congestion index, the
18 role of trucks. The region has reached a balance that
19 we'd like to build some of the low cost regional rail
20 versions because we're blessed with freight tracks and
21 negotiate a pretty cost-effective solution that way. I
22 think the days are almost over with the completion of the
23 next light rail phase. Our region won't be able to
24 support too many more light rail lines because they're not
25 cost-effective at \$50 million a mile.

1 So you're looking at in our regional rail
2 corridors we think more cost-effective to build at \$10
3 million a mile in corridors that would cost you a lot more
4 than that to build a two-lane express facility in a
5 congested portion of the region. That's why the regional
6 rail component is there, but remember, you're sitting
7 there with an escalated operating cost in labor where
8 often on the roadway side you check the bridges and do
9 routine maintenance. In the roadway side you're hit with
10 reconstruction cost 40 years later, you don't have the
11 labor operating elements that transit does.

12 So it's often easy to get the capital cost for
13 rail, what wakes people up is the operating cost for rail
14 forever that's critical. And we don't want to fall into a
15 trap of falsely thinking we can build rail and then ten
16 years from now we can't maintain the operating costs.

17 Did that answer it, Commissioner?

18 MR. HOUGHTON: Yes.

19 MR. JOHNSON: Mike, I have a question more
20 dealing with specificity. Is it fair and accurate to say
21 that 121 and 161 are sort of the cornerstones of the plan?

22 MR. MORRIS: Yes. They're somewhat unique
23 because you had approved it with gasoline tax, so they're
24 super leveragers -- you won't have many of those -- but
25 it's the foundation in what you see in Bill's

1 presentation.

2 We're trying to do the same thing with the
3 systematized capabilities of the North Texas Tollway
4 Authority and do the same thing, instead of vertically,
5 horizontally, and that's the discussions and answer you'll
6 get back in the next 60 days.

7 MR. JOHNSON: In re-evaluating those from a
8 toll perspective and the environmental study that needs to
9 be done, what time element is involved, the additional
10 requirement upon re-evaluation for the environmental?

11 MR. MORRIS: The 161 is a little tricky because
12 that was an injunction that went to federal court and we
13 had to testify to get that out, and we were a little
14 worried that if we tried to get that lifted it would get
15 us maybe back into a legal suit again.

16 While we were in Barefoot Sanders' court, we
17 told the judge that it's quite possible in the future this
18 could be a toll road, and the record shares that. TxDOT
19 is in the process of redoing that environmental, public
20 hearings were held, there wasn't a huge level of concern.

21 We think that's going to go just fine.

22 The 121 re-evaluation in Denton County is
23 proceeding. We'll have to do due diligence on again
24 getting public comments with regard to 121 being a toll
25 road. I feel very comfortable that those re-evaluations

1 that you saw on the table will come in in a timely
2 fashion.

3 The 161 construction phasing, we have some time
4 on. The CDA part is really critical on the Denton County
5 portion because that project is proceeding very quickly to
6 construction and it's always dangerous to be doing a CDA
7 environmental while you're under construction.

8 MR. HOUGHTON: Well, you concur then with the
9 CDA concept with Bill Hale, that 121 and 161 be CDAs.

10 MR. MORRIS: Yes, sir. Well, Bill was
11 promoting 121 in Denton and Collin County. I'm here to
12 say let's get the CDA done in Denton and Dallas. I'm
13 going to suggest to you there may be a win-win situation
14 of the North Texas Tollway Authority performing the
15 function of the CDA in Collin County and then leveraging
16 excess funds, similar to what a CDA would do, in Collin
17 County.

18 Bill is promoting what I would call the super
19 strategy which would maybe have the maximum amount of
20 money. There's a good chance that if that's promoted too
21 aggressively, you won't have a toll road at all.

22 MR. HOUGHTON: Why would you say that?

23 MR. MORRIS: Because I think in some portions
24 of our particular region they very much endorse a certain
25 tool, to have it be a CDA; in other portions of the region

1 they may be a little bit more skeptical with regard to
2 that particular tool. That skepticism brought them to a
3 local government authority. Their logic very much took
4 them to let's have a situation.

5 If the local elected officials are going to
6 take the leadership position to toll a project -- which
7 remember, in our plan right now isn't tolled, it's still a
8 gas tax supported roadway -- if they're going to take the
9 leadership to take the heat on a particular toll road
10 project, what are the issues that they're dealing with
11 with regard to their constituency. They're already in a
12 part of the region that is super tolled already, with the
13 Dallas North Toll Road, maybe hopefully a Trans-Texas
14 Corridor to their north. They would like to come in not
15 with a maximum revenue philosophy that you might get with
16 a CDA at 15 cents a mile, maybe we should go ahead and
17 toll it at 12 cents a mile.

18 Your due diligence has to be you've put in a
19 couple hundred million dollars, what is the excess revenue
20 you're going to get out of that particular project. My
21 position would be if you get a revenue source over a 40-
22 year time frame that is similar but not identical but what
23 you'd get to a CDA, there's a good chance you can build
24 that project now, create a revenue stream over time,
25 create the systematized capability of revenue to help fund

1 other toll road projects may be a better situation than
2 suggest that the only tool you'd be interested in is a CDA
3 tool of which you may end up with no toll road at all in
4 that particular corridor.

5 MR. HOUGHTON: Because of the politics
6 involved.

7 MR. MORRIS: Not necessarily the politics, it's
8 just a feeling that they're already paying a significant
9 toll on the Dallas North Toll Road, why don't we have the
10 philosophy be that the best toll to set in this particular
11 corridor is a toll that will build the remaining of this
12 corridor, and the remaining of this corridor, maybe it
13 ends up being 12 cents or 13 cents, whatever it is.

14 MR. HOUGHTON: So yours is more of a price
15 issue.

16 MR. MORRIS: Yes, that's exactly right.

17 MR. HOUGHTON: Well, my experience in these
18 negotiations has been depending upon what you take up
19 front will drive the toll.

20 MR. MORRIS: But remember, if they agree to a
21 toll road and it's 12 or 13 cents today and the North
22 Texas Tollway Authority builds it, that toll is going to
23 stay on forever on that particular project and a
24 generation of people can come in that particular corridor
25 and say boy, the mobility needs in Collin County are fine,

1 let's just leave the toll where it is. Or they might say,
2 boy, we really have a problem, or we're trying to get
3 Boeing to come to our county, or who knows what they may
4 say.

5 Once you're in that game, once you're in a
6 football game, you can always put in a different player or
7 put in the other quarterback or try a different play. My
8 position to you is let's get into that particular game and
9 let the local policy officials and the regional
10 transportation council reach into the toolbox and get the
11 right tool for that particular job.

12 We very easily get to a situation where there
13 is no football game and you don't get to have the
14 questions about excess revenue.

15 MR. WILLIAMSON: I want to ask you a question
16 about that.

17 MR. HOUGHTON: I want to finish, Mr. Chairman,
18 if you don't mind. I'm sorry.

19 MR. WILLIAMSON: Help yourself.

20 MR. HOUGHTON: I forget. I demonstrated that
21 earlier about the airport issue.

22 What would you say to TxDOT performing the
23 activity of building that toll road, TTA?

24 MR. MORRIS: My suggestion is if you truly
25 believe in regionalism and you want us to use all the

1 tools in the toolbox, and you do due diligence to make
2 sure your fiduciary responsibility of revenue is returned
3 to you to build more transportation projects, what would
4 it matter to you if in this case we use a CDA, in another
5 case we use the TxDOT Toll Division or in another case we
6 use the North Texas Tollway Authority.

7 MR. HOUGHTON: I'm trying to accomplish
8 regionalism, so if we have a true regional approach.

9 MR. MORRIS: And I think in our regional
10 approach you very much will see probably all of our
11 managed lanes most likely to be done by CDAs. We're
12 trying to get the North Texas Tollway Authority to
13 substantially be an operator or to compete to be the
14 operator and partner with them so it's seamless to the
15 user.

16 You know, if we're going to have 20 toll roads,
17 we don't want 20 different looking things and 20 pieces of
18 mail in the mailbox about your toll. The elected
19 officials want it to be, just like we argued seamless
20 rail, we need a seamless delivery system, so in those
21 particular conversations what are the elements that best
22 deliver your needs and the RTC's needs. The RTC's needs
23 is additional money to deal with the \$55 billion problem.

24 If we can get to that particular problem, maybe a certain
25 tool is the right tool to use to accomplish that.

1 MR. WILLIAMSON: Well, I think your point is
2 well taken. If we do believe in regionalism -- which we
3 do -- then it shouldn't matter to us, except that there's
4 that one dilemma which you touched on every time, and I
5 appreciate, but I have to take you back to, which is the
6 due diligence we expect of Bill Hale and the fiduciary
7 responsibility all 24 million Texans place upon the
8 commission to be sure that in our move towards
9 regionalization we don't permit any region to be treated
10 unfairly compared to the other and we don't permit folks
11 within a region to be treated unfairly compared with their
12 other folks.

13 For example, one can make the observation that
14 in deciding to allocate dollars to the region and
15 permitting regional officials to decide which projects to
16 build, that if every point in the region is not given fair
17 consideration, over time only part of the region will
18 receive the benefit of all the gasoline tax dollars.

19 In this particular situation we've chosen to
20 speak about today, if the state is sitting here saying
21 well, it's in the state's interests to maximize either the
22 concession fee or the debt associated with this particular
23 transaction or to build other roads in the region,
24 therefore, a decision to permit someone else to build the
25 same toll road and not charge a market rate for the use of

1 that road will, in effect, result in less highways and
2 transit systems being built in the region, we haven't
3 honored our fiduciary responsibility within the region and
4 within the state. I think that might have been what Ted
5 was getting to.

6 Then there's the whole idea that our fourth
7 strategy -- which doesn't often get much attention -- is
8 really important to us. When we say that consumers ought
9 to drive transportation decisions, we mean to the extent
10 possible, artificial barrier should be removed by us and
11 the regions to permit consumers to define the value of
12 using that road or the value of using that commuter rail.

13 And if you're not careful in the system you set up, you
14 turn over responsibility to a quasi-government agency,
15 whether that's NTTA or our TTA Division, and suddenly
16 political pressure is determining the value of the use of
17 that road, not consumer market pressure.

18 I understand when a county judge says I want to
19 keep the cost of this toll down for my citizens, I don't
20 want to Robin Hood for highways -- although we all build
21 highways using Robin Hood, interestingly -- I understand
22 it when that county judge says that. I understand it when
23 a board member of HCTRA or NTTA says well, our goal is to
24 keep the cost of the drive down as much as possible for
25 the consumer, but that's not our strategy. Our strategy

1 is to let the consumer of the product decide that, whether
2 it's worth a buck or ten cents or two bucks a mile or
3 whatever it is, because we believe consumers will
4 rationally make decisions that will ultimately benefit the
5 transportation system and air quality of the region.

6 So that was a long soliloquy about our concerns
7 about how the decision is made.

8 MR. MORRIS: Well, Mr. Chairman and Mr.
9 Houghton, I agree with you. I guess what I'm asking you
10 to think about is if you look at each individual tree --
11 let's go to the 121 Collin County tree -- you might say
12 well, that may be in the best interests to be an
13 individual CDA, we maximize our value, but you haven't yet
14 looked at the system effects of that of which you may not
15 now be able to build the Trinity project or the George
16 Bush extension or the Southwest Parkway.

17 By looking at horizontal integration, remember,
18 there's an entity that already exists, they have a cash
19 flow that's generated over time from existing toll roads,
20 by looking at the ability of that particular agency to
21 develop system toll effects, it's quite possible you may
22 not get the best deal in Collin County but you may get
23 four other deals that you wouldn't have gotten otherwise
24 because some of the other toll roads wouldn't have a CDA
25 to respond to them because they system toll finance in

1 order to be built to begin with.

2 MR. WILLIAMSON: I think we take your point.
3 As always, you're very articulate in arguing your choices.

4 MR. MORRIS: Let us digest all that and we may
5 be able to get five balls across the goal line and it be a
6 sum much greater than you'd anticipate.

7 MR. WILLIAMSON: And NTTA is going to talk to
8 us in a moment, they're going to have a chance to talk,
9 and I don't want this to come across as in any way a
10 discussion about NTTA, but I will tell you, Michael, the
11 NTTA goal of building a highway that's needed and keeping
12 the cost to the consumer as low as possible, I understand,
13 but that's not necessarily in the best interests of
14 solving the state's transportation dilemma. What's in the
15 best interest of solving the state's transportation
16 dilemma is to permit consumers to decide what that toll
17 is, not commission members and MPOs and NTTA board members
18 and legislators.

19 MR. MORRIS: A year ago I didn't think NTTA
20 would be in a position to share excess revenue for
21 transportation projects outside their system, and
22 therefore I thought we were in a lot of trouble, and
23 that's not where I think we find ourselves today, so let
24 them speak for themselves when they come forward.

25 MR. WILLIAMSON: Okay, Amadeo, where did we

1 leave it?

2 MR. SAENZ: I was going to get into the
3 different procurements, and of course, each of the
4 entities has specific legislation authority to be able to
5 develop different types of projects. For example, RTAs,
6 like NTTA, they can contract for the construction of an
7 improvement of a turnpike project. It must be led by
8 competitive bid procedures in which the contract is
9 awarded by the lowest bid. That's in their statute.

10 They also have a separate statute that
11 authorizes them to be able to contract with a public or
12 private entity for acquisition, design, finance,
13 construction, maintenance, repair and operation or
14 extension of a turnpike project. So in essence, this one
15 gives them some authority that's similar to a CDA. We
16 don't know if it's explicit rights to do a CDA, but they
17 may be able to do a CDA project.

18 The RMAs and TxDOT, of course, we both have
19 almost the identical comprehensive development agreement
20 statute that gives us the authority to do that. County
21 toll road authorities don't have any design-build
22 procurement procedures, so if a CDA needs to be done or
23 would be done in the Houston district in the HCTRA area,
24 really it would have to be done through TxDOT.

25 This point is basically certain entities have

1 certain authority do certain projects.

2 When it comes to what type of procurement
3 method to use and who makes that decision, every project
4 needs to be looked at on a specific basis. I think we
5 look at projects from the point of a statewide project,
6 and that's basically a project where TxDOT should decide
7 what procurement method to use or which is the best
8 procurement method.

9 Regional corridors, as we're defining a
10 metropolitan mobility plan, as we discussed, I think there
11 we work closely with the MPOs, we've been talking about
12 regionalization and local control, and one possibility
13 would be for the MPO to submit their request to the
14 commission, and then the commission would then evaluate
15 that request and approve that for them to go in the
16 direction that it is, where we could look at the impacts
17 they've taken and to see what it does to the
18 transportation system and the overall goals of the
19 department and the region.

20 And of course, local-state corridors, these are
21 corridors that are basically only important to a
22 particular area, more local use, then locals could
23 basically be the ones that should make the decision as to
24 what procurement method to use.

25 If you have any comments on that, we can

1 discuss that a little bit further.

2 MR. WILLIAMSON: It's entirely possible for 21
3 counties in North Texas, including the four counties that
4 are the charter members of NTTA, for example, it's
5 entirely possible to form a regional mobility authority.

6 MR. SAENZ: Yes, sir, it is.

7 MR. WILLIAMSON: If that would be the wish of
8 those county governments.

9 MR. SAENZ: If that was the wish of the county
10 governments, they could form a regional mobility authority
11 and then that regional mobility authority would have the
12 CDA procurement authority just like all other RMAs.

13 MR. HOUGHTON: On the TTC legislation statutes,
14 revenue generated in the corridor must stay in the
15 corridor. Correct?

16 MR. WILLIAMSON: I think it's RMA, I don't
17 think that's TTC.

18 MR. HOUGHTON: I think it is.

19 MR. SAENZ: Yes. It's easier to check with
20 Bob.

21 MR. WILLIAMSON: You're right.

22 MR. HOUGHTON: Because Michael made a reference
23 to TTC revenue supporting other types of modes of
24 transportation outside the corridor. I want to make sure
25 everyone understands that, that it has to stay in the

1 corridor.

2 MR. SAENZ: Yes, sir, that's correct.

3 I guess one of the things that we get into is
4 with respect to, okay, if we're developing a concession
5 and we're developing a CDA concession in an area where we
6 have Harris County Toll Road Authority or where we have
7 NTTA -- and of course, they are mature toll road systems,
8 they have been maintaining and operating toll road systems
9 for many, many years -- one thing that we would like to
10 do -- and we're working with right now with NTTA because
11 of all the potential CDA procurement possibilities that we
12 have there -- is to develop a memorandum of understanding
13 so that we can identify what role NTTA can perform or what
14 services NTTA can perform towards that CDA project.

15 What we would like to get in our goal is to try
16 to identify these are all the different services that NTTA
17 is capable of doing, we can create those and then provide
18 them to all of the potential developers so that they can
19 have a chance to evaluate to make sure that if NTTA can
20 provide them that service and it's the best service for
21 their proposal, they can then bring in NTTA to do that.

22 MR. HOUGHTON: Or HCTRA.

23 MR. SAENZ: Or HCTRA, yes, sir. When we do get
24 to that, when we do get one in Houston-Harris County.

25 On the RMA side, when we're developing a CDA,
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1 of course what we're doing in San Antonio because the CDA
2 came to us for the toll roads in San Antonio, we're
3 working closely with the MPO and the RMA to identify those
4 business terms. Very similar to what Michael thought, if
5 the area wishes that their business terms should be that
6 we want all the concession fee up front and we'd want to
7 take it all now and that's all we want, or do we want part
8 of the concession fee up front and we want to get a piece
9 of the revenue sharing for the life of the concession.

10 All those business terms we are working with
11 the MPO and with the RMA in the San Antonio area so that
12 we can include them in the procurement so that the
13 proposers can then propose under those conditions.

14 This could be something very similar under
15 Michael's scenario if the region had identified that they
16 wanted to keep toll rates at a certain amount, say 12-1/2
17 cents per vehicle mile traveled, that could be a condition
18 that could be put into the CDA so that we could look into
19 that. Then that could be evaluated with respect to if it
20 was opened up, this is the impact of keeping that lower
21 toll rate on this project, and that would be something we
22 could look at, and you could look at it to see what impact
23 that particular decision would have on the procurement
24 process or on the project itself.

25 If we go the other way where we have one of the

1 toll entities, either NTTA or HCTRA, that they're
2 developing a project, what assistance can we provide
3 through ourselves or through the MPO, of course, that's
4 done through toll equity.

5 One of the things that we have been looking at
6 lately and doing is that as they develop those projects
7 and they ask for toll equity, whereas before we used to
8 just provide the revenue to them, and where we would build
9 part of a project because there was no toll equity, then
10 they would build a connecting facility. Then of course,
11 they maintain and operate the toll road and nothing comes
12 back to the area with respect to the revenues that that
13 toll road generates.

14 Now what the districts have been looking at in
15 both the Houston District and also the Dallas and Fort
16 Worth Districts, with NTTA in Dallas-Fort Worth and HCTRA
17 in Houston, is that we want to be partners. Where if toll
18 equity is provided to a toll project that NTTA is
19 developing then we should be able to share in the revenue
20 that that toll project is generating, whereas that revenue
21 then stays in the region based on the requirements in 2702
22 and what the commission has put forth to do more
23 transportation projects and not be limited to only
24 projects that in the future either NTTA or HCTRA wants to
25 do on their own. This will allow the region to identify

1 that funding source that they could use to develop other
2 transportation projects.

3 Other things we could do is that somehow we
4 need to have a much better connection into the approval
5 process of what projects those separate entities would be
6 doing with respect to the overall plan that the region has
7 identified.

8 MR. HOUGHTON: Amadeo, this also includes us
9 providing our right of way for an RMA's projects on CDAs
10 as we will be a partner to their revenue on that asset.

11 MR. SAENZ: Right. On a particular facility
12 that is on the state highway system, if for example, NTTA
13 or an RMA or HCTRA would want to use that particular
14 swatch of right of way that's between our two lanes, that
15 could be considered a concession or a lease or a license
16 for them to operate, and under that license for the right
17 to operate that toll facility, they would have to pay so
18 much per year for the life of that concession. So in
19 essence, it's a concession with NTTA.

20 MR. HOUGHTON: That they pay us.

21 MR. SAENZ: They would pay us and that money
22 stays in the region for their other transportation
23 projects. Yes, sir, that's another mechanism that can be
24 used.

25 MS. ANDRADE: Amadeo, that excess revenue, who
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1 decides what to do with it?

2 MR. SAENZ: That excess revenue that we have
3 said in the region would be decided upon by the region to
4 do other transportation projects.

5 MS. ANDRADE: Okay, thank you.

6 MR. SAENZ: It is a mechanism where we can
7 have, I guess, something like a concession with one of the
8 toll entities that's out there where they're using right
9 of way that already belongs to the department, but instead
10 of the private sector, we have one of these public
11 entities.

12 That pretty much covers it for right now. I'd
13 be happy to answer any questions.

14 MR. WILLIAMSON: We have several witnesses,
15 members. Can we listen to the witnesses? We will begin
16 with Allan Rutter. Mr. Rutter, are you still here and are
17 you awake, sir? Long time old friend, Allan Rutter.

18 MR. RUTTER: I don't really have anything
19 prepared other than to tell you that we will be presenting
20 some information to our board at its meeting next
21 Wednesday to talk about how we'd be willing to start
22 entering into negotiations with the department about that
23 very development agreement structure that Amadeo just
24 structured about 121 in Collin County.

25 We understand the nature of that state asset.

1 We also understand and have been trying to be responsive
2 to our local governments about their interests: one,
3 having it be a toll road; two, that some of those whatever
4 excess revenues are created stay in that local area for
5 projects to be determined by them; and the balancing act
6 of what those prices are versus how much revenues are
7 prepared by that.

8 I think we are looking forward to, on Michael's
9 schedule, trying to get that agreement executed as quickly
10 as possible so that we don't adversely affect your
11 procurements on CDAs that you have throughout the rest of
12 your region.

13 I'd be happy to answer any questions about how
14 we integrate, how we try to approach, how we're doing our
15 business up there. I think particularly Commissioner
16 Houghton's question about pricing and how you set prices,
17 one of the things that we've been in the process of doing
18 over the last six months is changing our very nature of
19 how we look at projects and how we're willing or going to
20 begin the process of affecting prices on our existing
21 system to provide the very system support that's necessary
22 to build a lot of projects that don't, on a stand-alone
23 basis, make it, but they could be generated and put on the
24 ground and provide mobility benefits to people.

25 We're also in the process of hearing back from
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1 our constituencies, the county commissioners courts who
2 appoint our board members, and local elected officials who
3 are directly and electorally accountable, in a way that
4 I'm not, to their constituents about how to balance that
5 providing dollars for investment but keeping the actual
6 price on the consumer as low as possible.

7 It's true that if you look at it on a strictly
8 market basis, the kind of toll sensitivity curves of what
9 people would be willing to pay and how you'd maximize your
10 revenues based on that, there's probably a lot of room on
11 any of the toll projects that we operate.

12 We've also heard back from those constituent
13 groups, our counties and our elected officials, that
14 generally speaking they'd like us to be in a position to
15 deliver mobility in additional facilities, but to do so
16 with as low a price as possible. But we are looking at,
17 between now and 2010, changing the overall prices on our
18 entire system from a 10 cents a mile basis to 12 cents a
19 mile to provide the kind of financial support that's
20 necessary to build some really expensive projects such as
21 the eastern extension and the Southwest Parkway and the
22 Trinity Parkway.

23 So that's kind of where we're trying to work
24 with that, but we'd be happy to answer any questions about
25 it.

1 MR. WILLIAMSON: Well, you understand, Allan --
2 and this question is maybe more appropriately directed
3 towards your board members you have here -- the commission
4 has no bone to pick with NTTA in its current setup, and if
5 it be the region's decision to use NTTA to build 121 or
6 any other toll road, that's the region's decision. We
7 believe in regional government.

8 We would just observe that NTTA is a creature
9 of elected government. In fact, we've had a chance to
10 read for four months now direct quotes from city
11 councilmen and county officials about how we think which
12 we find very interesting since several of them have never
13 asked us what we think.

14 But we know that your rate-setting mechanism in
15 the current regime is always going to be keep it as low as
16 possible. We don't take offense at that, we don't
17 disagree with that. But the effect of keeping everything
18 as low as possible over the last 24 years and over the
19 next 25 years is going to result in a \$90 billion
20 shortfall in what is necessary to the transportation grid
21 of this state. So you can understand that we're a little
22 more sensitive to the notion of letting the consumers
23 decide what the tolls should be.

24 MR. RUTTER: Absolutely, but please don't
25 interpret anything that we're saying about we don't

1 understand the box that the department is in, we're all in
2 that same box: more need than we have revenues for.

3 MR. WILLIAMSON: Well, you're not in the same
4 box we're in, you're only boxed to the assets you
5 currently have on the ground. By your own testimony,
6 you're charging a toll that is politically acceptable to
7 your constituency. I'm not criticizing that, that's what
8 I would expect of a county toll authority in Parker County
9 that built one road for the sole purpose of helping a
10 limited number of people, but the roads that NTTA has
11 built to date -- Michael, I think I'm saying this really
12 to you -- are roads that the NTTA board themselves defined
13 as being addressing their market. 121 is a little bit
14 different deal. That is a state-owned regional and
15 statewide road.

16 MR. RUTTER: We recognize that.

17 MR. WILLIAMSON: I even understand why the
18 mayor of Frisco would want to keep the toll as low as
19 possible. I don't take offense at that; I do take offense
20 at having quoted my thoughts without having asked me.

21 MR. RUTTER: I think the same pressures that
22 lead to expectations on having those prices to the
23 consumer or the constituent low are the same pressures
24 that have been exerted over in the pink building for the
25 last 14 years since 1991.

1 MR. WILLIAMSON: Right, and we're not but about
2 \$37 billion short in the last 24 years because those in
3 the pink building that we all answer to -- and I was one
4 of them at one time -- find it impossible to find the
5 revenue to improve the transportation system.

6 MR. RUTTER: So those same pressures we're all
7 feeling, and certainly we don't want imply that any one of
8 these parties that are involved, and particularly we
9 recognize the fact that as we build projects that have gas
10 tax dollars invested as toll equity, we're partners in
11 everything we're doing from here on out. We're all
12 responding to and having to deal with the external
13 environment to us all that places those pressures on the
14 available revenues.

15 MR. HOUGHTON: I think what this commission
16 would like to see, if 121 is a lightning rod in this -- it
17 seems to be -- is competition on 121 where you are a
18 competitor, a bidder, a proposal would come from NTTA,
19 sharpen up your pencil, tell us what the asset is worth,
20 what you're willing to build, what the spinoff assets are,
21 as well as the marketplace. And I think that kind of
22 gives us an idea of what the asset's value is and then all
23 the ancillary things that go with it.

24 Would you be willing to compete in that
25 environment?

1 MR. HOUGHTON: His board might want to answer
2 that question.

3 MR. RUTTER: Well, no, I can address that and
4 then they'll come in and tell me that I didn't know what I
5 was talking about.

6 MR. WILLIAMSON: Let's see, do we have a
7 quorum? We might can get them to vote right now.

8 (General laughter.)

9 MR. RUTTER: I think the answer to your
10 question on an instant basis is the CDA process that's
11 created under the current state statute which is a TxDOT
12 procurement process doesn't allow for us, as a public
13 agency, to compete directly in that particular competitive
14 procurement.

15 MR. HOUGHTON: Well, the lawyers will probably
16 pop up now, but I would like to see a proposal from you.

17 MR. RUTTER: Well, we'd like to make one.

18 MR. WILLIAMSON: I see Jack is on the edge of
19 his seat.

20 MR. RUTTER: The other thing to keep in mind,
21 though, is while our traditional way of looking at a toll
22 road has been, from a public sector view, is what is it
23 going to take to deal with that over the 35-year term of
24 those bonds.

25 We, too, if we were able to look at this on a

1 50- to 75- or 90-year time frame, would be able to show
2 the same general power of that extension of time which is
3 once you pay your senior debt, you've got all kinds of
4 stuff happening, and if you can net present value that
5 toward the beginning, I think our lower cost of capital
6 would allow for that net present value to be fairly large.

7 MR. HOUGHTON: We've told the private sector
8 let your imagination wander, bring it to the table, and I
9 don't think we would restrict you any other way, Allan.
10 I'd love to see that.

11 MR. RUTTER: So I may have already stepped over
12 the bounds of where my board is willing to have me go.

13 MR. HOUGHTON: When is your review?

14 (General laughter.)

15 MR. RUTTER: Unfortunately, it will be pretty
16 quick.

17 But I would say that what's happening within
18 our organization is a response to the same competitive
19 environment that we do find ourselves in and I think we
20 are seeing a willingness on the part of both our board and
21 our elected officials, an expectation on our part to be
22 more assertive, to be more aggressive, to take advantage
23 of tools and capacity that we haven't done in the past,
24 and we're starting to do that.

25 MR. HOUGHTON: I think it's great, and I

1 welcome that. I would welcome something like that from
2 NTTA as a fiduciary of that asset 121. I think we'd have
3 to look at yours as well as others, yours separately
4 because you can't propose on it under the rules, and we go
5 from there.

6 MR. RUTTER: We're happy to go there.

7 MR. HOUGHTON: That's my opinion.

8 MR. WILLIAMSON: Why don't we take an NTTA
9 break and ask Tom Griebel to come up and chew on us a
10 while.

11 MR. RUTTER: Thank you.

12 MR. HOUGHTON: Thanks, Allan.

13 MR. WILLIAMSON: Stay close, Allan, there might
14 be more questions.

15 Tom Griebel, Alamo RMA.

16 MR. GRIEBEL: Good afternoon. I am Tom
17 Griebel, the executive director of the Alamo RMA in San
18 Antonio, and a lot of discussion this morning has been
19 focused on the DFW area, but I'm here to talk about -- I
20 thought the topic was going to be more broad, and I
21 understand, Mr. Chairman, it is -- to talk about the
22 relationship we've had in San Antonio and Bexar County
23 with TxDOT as we develop these projects.

24 In our MPO, we don't have the degree of
25 shortfall that the DFW area has, as Michael Morris pointed
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1 out, but it's about \$8 billion for mobility projects over
2 the next 25 years and another \$8 billion in maintenance
3 and rehabilitation funds that we're short for the system,
4 our equivalent lane miles, et cetera.

5 In the MPO plan we've identified about a 70-
6 plus-mile toll network which included both managed lanes,
7 toll lanes in the median and mostly in the median of roads
8 that you own, as well as some new location facilities.

9 In that process, part of the MPO plan, 25
10 percent of the money in the next 25 years of the toll
11 funding for the MPO in Bexar County is added capacity toll
12 projects is going to be funded by tolls. What that did in
13 the MPO plan that was just released last year, it freed up
14 money that was allocated for facilities mostly in the
15 northern Bexar County area, and we're able to do projects
16 in the southern part of Bexar County we wouldn't otherwise
17 be able to do.

18 And David Casteel is in the audience here, the
19 district engineer. I'm sure if you have questions, he'd
20 be able to answer that in much more detail than I could.

21 As you know, we went through some discussions
22 and opportunities over the last summer about the
23 comprehensive development agreement on 1604 and 281 that
24 came in as an unsolicited proposal. We are working very
25 closely with TxDOT. Your staff has been very, very

1 cooperative with us. They've allowed us to participate
2 and they treat us with respect, and actually they solicit
3 our comments as we've gone through that review process for
4 those two proposals that have come in on that project.

5 That's about a 45-mile project, the estimated
6 value was somewhere upward of \$4 billion, that hopefully
7 we'll be able to accelerate, and that's what the purpose
8 of all this is is to accelerate projects and give the
9 citizens of Bexar County a return quicker than they would
10 have otherwise.

11 Part of that 70-plus-mile network, there's
12 three other projects that we've identified that you
13 transferred to us: State Highway 16/Bandera Road, the
14 Wurzbach Parkway interchange and I-35 from Wurzbach
15 Parkway interchange at 281, and I-35 from the Guadalupe
16 County line, Cibolo Creek down to the central business
17 district which is about 17 miles. That's a mixture of
18 managed lanes, toll lanes, as well as a new location
19 facility.

20 We are in the process of developing a work plan
21 to indicate to you how we're going to develop that project
22 in the next, hopefully, 12 to 18 months, and you have
23 graciously given us money to develop that, some equity
24 money to help pay for the development of that.

25 Obviously we're looking forward to taking over

1 that responsibility. The relationship has been we've had
2 a lot of discussions over the last year, I think we've
3 worked through them positively. We had the MPOs involved,
4 the MPOs made a commitment to fund much of our facilities
5 as toll facilities, and TxDOT has involved us in the
6 process, and we do sincerely appreciate that, and I'm
7 bringing that message not only on behalf of myself but
8 also my chairman and my board, Chairman Thornton and the
9 board of directors.

10 On the CDA process, we went through the
11 process, as was spoken to earlier, about identifying what
12 we call local control issues, business rules that we would
13 like to see in the CDA process. That will be discussed in
14 the detailed proposal which will hopefully be coming up
15 the first part of next year.

16 And then finally as I close out, as I try to
17 finish in my three minutes -- which I'm probably passed,
18 I'd like to take a moment to introduce my replacement --
19 which I leave at the end of this month -- Terry Brechtel.

20 If I could ask her to stand. She is the former city
21 manager of San Antonio and she has agreed to take on
22 executive director after the first of the year for the
23 Bexar County area Alamo RMA.

24 Thank you, Mr. Chairman.

25 MR. WILLIAMSON: We appreciate your remarks and

1 we particularly appreciate the job you did in getting the
2 Alamo RMA organized and up and running, and even though we
3 all went through some tough negotiations, as we're going
4 through with other parts of the state right now, it all
5 ended up where it was supposed to: the transportation
6 goals in San Antonio are going to be advanced as a result
7 of it.

8 MR. GRIEBEL: I sincerely believe that. I view
9 those as opportunities, we had the opportunity to have in-
10 depth conversations of how we're going to coordinate that
11 process. And thank you, Mr. Chairman.

12 MR. WILLIAMSON: Thank you for the job you've
13 done. Don't leave yet.

14 MS. ANDRADE: Yes, don't leave.

15 MR. HOUGHTON: Don't leave yet, you're not
16 finished.

17 MR. WILLIAMSON: Go ahead.

18 MR. HOUGHTON: Congratulations for getting this
19 started.

20 MR. GRIEBEL: Thank you, sir.

21 MR. HOUGHTON: I take my hat off to you in
22 congratulations.

23 MR. GRIEBEL: Well, with your help, I think
24 we're in a very good position to jump off, it was a great
25 foundation, you've helped finance us, you've identified

1 projects, you've transferred them to us, and you've funded
2 them, and I think it's going to make Terry's job a lot
3 easier. And I just rented office space for the first
4 time.

5 MR. HOUGHTON: We didn't give them away, now,
6 Tom.

7 MR. GRIEBEL: No, they're loans, and I do
8 recognize that. I know we're expected to pay those back
9 and I'm sure we will when we put the financing package
10 together.

11 MR. HOUGHTON: Congratulations to you.

12 MR. GRIEBEL: Thank you.

13 MR. JOHNSON: Tom, I'm going to let Hope close
14 because I think it's probably more appropriate that the
15 local person close.

16 It's been a distinct pleasure working with you
17 over the last several years. We took baby steps at first
18 and the strides have gotten larger and the accomplishments
19 more, and I think you leave the Alamo RMA as well
20 organized and ready to do superb things, and it's got your
21 fingerprints all over it, footprints all over it, and back
22 to my original statement, it's been a distinct pleasure
23 working with you.

24 MR. GRIEBEL: Thank you. We had our audit, our
25 first required CPA audit issued, and it was clean,

1 fortunately. So contrary to all the comments that have
2 been made by our friends to be made out there, we've got a
3 clean audit. So thank you, sir.

4 MR. WILLIAMSON: Hope?

5 MS. ANDRADE: Tom, I just want to thank you
6 also. I truly believe the Alamo RMA is where it's at
7 because of everything that you did, and thank you. I
8 think you can leave feeling very proud and look back, and
9 certainly I can tell you that I'm looking forward to
10 working with Terry. I'm going to miss you.

11 MR. GRIEBEL: I'll be around somewhere.

12 MS. ANDRADE: But thank you for everything that
13 you did.

14 MR. GRIEBEL: Thank you, Hope.

15 MR. WILLIAMSON: Merry Christmas.

16 MR. GRIEBEL: Thank you.

17 MR. WILLIAMSON: Okay, Paul, are you ready?

18 MR. WAGEMAN: I don't know, we'll find out.

19 MR. WILLIAMSON: Always with NTTA and a good
20 friend to this commission.

21 MR. WAGEMAN: Good afternoon, Chairman
22 Williamson and members of the commission. I'm Paul
23 Wageman, I'm the Collin County representative on the North
24 Texas Tollway Authority. I'm also joined today by one of
25 my board colleagues, Dave Blair, and perhaps with your

1 indulgence, Chairman Williamson, it would be appropriate
2 to have him come up and we can just do all this at one
3 time.

4 MR. WILLIAMSON: Sure, whatever.

5 MR. BLAIR: Thank you. My name is Dave Blair,
6 I'm the chairman of the North Texas Tollway Authority.

7 MR. WILLIAMSON: Glad you're here, David.

8 MR. WAGEMAN: We just wanted to come today to
9 support the region's presentation, both Michael's and
10 Bill's, who we enjoy working with and have a very strong
11 working relation with, and to let you know that we're an
12 agency in transformation, and it's a result really of the
13 reform tools that the legislature has given this
14 department, and we need to understand that there are
15 competitive pressures in our region and we have to find
16 our niche and our role in that, and we very much want to
17 do that.

18 I think it's clear that the NTTA is viewed by
19 the region, by the citizens who drive our roads, as well
20 as by the elected officials that the NTTA really is the
21 tolling authority for North Texas. Having said that, we
22 understand that there are ways for the department to
23 generate additional revenue in the region to benefit those
24 same citizens and we need to be cognizant of that when
25 we're proposing toll projects.

1 So the bottom line is we have been in
2 consultation with the county, Collin County, and with the
3 four cities which the toll road would run through: Allen,
4 Plano, McKinney, and Frisco. And we are comfortable and I
5 believe they are -- and they are here to tell you this
6 today -- that we can advocate our tolling this project as
7 part of our NTTA system, subject to negotiating a
8 transaction with the State of Texas through your
9 department, through the district with Bill Hale, that
10 meets the needs of the region and of the people who drive
11 these facilities.

12 MR. WILLIAMSON: I think we all recognize that
13 NTTA is the tolling authority that most people think of in
14 the region, and I would like to think the comments I
15 directed to Allan and Michael earlier, you understand as
16 being neutral and not attack. I think you do exactly what
17 you're paid to do, you're set up to operate exactly as
18 you're set up to operate, and I don't think it's NTTA's
19 responsibility to worry about generating the funds or the
20 revenue that we've got to worry about for the entire
21 transportation system, and I would never hope to put that
22 off on NTTA. But the fact is, we do have that burden.

23 I read all the time letters to the editor and
24 quotes in newspapers about this toll thing that the
25 commission has come up with is not a road idea, it's a

1 revenue idea, as if there's something disconnected about
2 having to find the revenues to build these roads. Of
3 course, it's a revenue approach, there's not any question
4 about that, because we're \$86 billion short, that's just
5 the way it is. But I don't mean to ever infer that that's
6 your responsibility, that's not. You're fulfilling your
7 role as you're properly supposed to.

8 MR. WAGEMAN: We certainly understand that our
9 role is much more limited than the department's, but as
10 Allan indicated in his comments, we are developing a
11 tolling policy which is going to allow us to generate
12 additional revenue so that we can leverage additional
13 dollars in the region and do our fair share to help reduce
14 the overall gap in funding for projects through 2025.

15 MR. WILLIAMSON: I think we often don't touch
16 on it much here because we don't want to create a lot of
17 discord, but not everyone in the world believes that the
18 drive towards regional decision-making is a good drive,
19 for the very reasons that I outlined to you earlier,
20 Michael, which is sometimes if I'm in Benbrook, I might
21 have a better shot at equity going straight to the
22 commission and dealing with the state than my colleagues
23 within my region are ever going to give me, and I'm not
24 real sure that I want to be part of a regional system if
25 I'm always taking back seat to another part of the region.

1 So the dilemma we find ourselves in,
2 particularly on 121, we know how much toll state money has
3 been sent to the city of Dallas and north as compared to
4 city of Dallas and south, or the city of Dallas and east,
5 or the city of Dallas and west.

6 And it would be very easy if one wanted to be a
7 demagogue to the great citizens north of Dallas, one could
8 easily stand up and say, Well, you know, there was a whole
9 lot of state money spent north of Dallas and it was okay
10 and now all of a sudden this toll road is causing a
11 problem, and you guys either want to own it yourself or
12 you want to control the rates, you want to keep your cost
13 of living down, but it was all of us that put up a lot of
14 state money years ago to build some of the powerhouse tax
15 roads that are in North Texas, so regionalism seemed to be
16 okay at one time, why is it not okay now? And we have to
17 be sensitive to that; you know that.

18 MR. WAGEMAN: Yes, we do.

19 MR. WILLIAMSON: These are the guys that run
20 NTTA. Any questions or comments?

21 MR. BLAIR: I'd like to address Commissioner
22 Houghton. One thing that you asked, how can we be
23 competitive, and I think Mr. Rutter indicated to you if we
24 had the ability to be 50, 75, 90 years out, we could do a
25 lot more things.

1 The legislation requires that our bonding only
2 go 40 years, so we're limited in how far we can go
3 financially in terms of bonding capabilities. If we could
4 go 50 years, 80 years, 90 years, it's a much different
5 scenario in terms of being competitive. So when you say
6 about a competitive proposal, we can make you a proposal
7 on the basis of 50 years or 75 years, the problem is that
8 the legislation that we are under only allows us to bond
9 40 years.

10 Now, I'm going to ask the question here before
11 you that we've been thinking about is what would be wrong
12 with us being the contractor, the CDA.

13 MR. HOUGHTON: That was my question.

14 MR. BLAIR: What would be wrong with that? I
15 don't know the answer to that, legally, at this particular
16 time.

17 MR. HOUGHTON: And don't get me wrong, it's not
18 all about price, it's about the bigger picture: what is
19 the whole plan, not for the next three to five, six, seven
20 years, the next 40 years when the state population in 2040
21 is going to be 51 million people and most of them living
22 in the urban areas -- today it's 23 million people.

23 So what ancillary projects can spin off from
24 this proposal, not just here's a toll rate, here's your
25 money TxDOT, go away, what is the bigger picture.

1 MR. BLAIR: And that's what we're looking at
2 right now. We're putting a group together right now, we'll
3 have our first meeting in January, a group of local folks
4 in our area that have transportation experience. These
5 are not necessarily NTTA people or political elected
6 officials, these are people within our area looking to the
7 NTTA, into its structure and into what we're doing, how we
8 can be a greater asset.

9 We're a state agency just like we are; we're
10 chartered by the state. I would say technically that our
11 roads are owned by the state since we are a state agency.

12 MR. HOUGHTON: I look forward to it, I look
13 forward to that kind of broad-brush presentation.

14 MR. BLAIR: The dynamics have changed
15 tremendously.

16 MR. HOUGHTON: Sure they have.

17 MR. BLAIR: And we've got to deal with the
18 dynamics that have changed, we've got to deal with the
19 situation the state is in, we've got to deal with the
20 shortfalls because we're part of the problem and we're
21 part of the solution, and that's what we want to be.

22 MR. WAGEMAN: Mr. Chairman, I would just want
23 to re-emphasize, as Bill Hale indicated, it's a regional
24 road and it requires a regional solution, and the region
25 really would like the NTTA to be the tolling entity on

1 this road. And we are very supportive of that, we want to
2 be the tolling agent, we want you to understand that, we
3 want you to have no questions about it.
4 We understand we have to come to an agreement with the
5 department as to how that works.

6 But the cities that the road runs through and
7 the county that it runs through have spoken unanimously
8 that they would like the NTTA to do it, and it makes
9 sense, it crosses with our primary road, the Dallas North
10 Tollway.

11 MR. WILLIAMSON: And I meant what I said
12 earlier, in the end, whatever decision the region makes,
13 we believe in what we say, we believe in regionalism.
14 This is a similar growing pain that we went through with
15 the Alamo RMA, different perspective but similar, and in
16 the end it's going to be okay, in the end we're going to
17 solve our problems.

18 I just appreciate you being willing to be here
19 today and kind of put us on the tee that this is where we
20 want to take things. It's always good to see you.

21 MR. WAGEMAN: It's good to see you, Mr.
22 Chairman. Thank you.

23 MR. BLAIR: Thank you.

24 MR. WILLIAMSON: Thank you.

25 Okay, Ron, do you want to go first or do you

1 want Jack.

2 MR. WAGEMAN: I think Ron Harris had another
3 appointment, Mr. Chairman, and had to leave early.

4 MR. WILLIAMSON: What would Ron want, Jack?

5 MR. HATCHELL: I don't speak for Judge Harris,
6 I'm sorry.

7 MR. WILLIAMSON: So you think the three cities
8 first or you think you?

9 MR. HATCHELL: Let me go ahead and then you can
10 take three cities, if that's okay with you, sir.

11 Chairman Williamson, members of the commission,
12 and Michael. I'm Jack Hatchell, Collin County
13 commissioner. I'm hoping, after hearing some of your
14 comments, that I haven't said anything derogatory about
15 121 and the state. I'm trying to think back through my
16 political career.

17 MR. WILLIAMSON: No, not derogatory, Jack.
18 We've read about our thoughts as if someone called us and
19 asked us and no one has called us and asked us our
20 thoughts about this thing.

21 MR. HATCHELL: I have always been a strong
22 supporter of TxDOT, having begun my career some 45 years
23 ago, my first employer was TxDOT -- Texas Highway
24 Department at that time, so I'm proud of that service.

25 I come before you today just to say -- and I
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1 think Commissioner Houghton said most of what I probably
2 want to say -- but Collin County and the four cities that
3 touch this section of 121, that being the cities of Plano,
4 Allen, McKinney and Frisco, have been working with NTTA
5 and have been working with Bill Hale and Michael to try to
6 come up with some kind of a solution.

7 And what we've come up with now, we started out
8 with the local government corporation, we want to take
9 care of the responsibility and that local government
10 corporation would have spun off excess revenue for use on
11 other transportation projects. But we're working with
12 NTTA now, and we just want to have the opportunity, on
13 behalf of the cities and the county, to come forth with a
14 proposal that's similar to a CDA that will allow NTTA, who
15 is our toll provider for the four-county region, to submit
16 a proposal and take a chance and get into the mix and
17 produce a proposal to produce excess revenue that can be
18 used on other projects.

19 So I just wanted to come here as a symbol of
20 good faith to deliver that message and try and answer any
21 questions you might have. And I appreciate your time, and
22 I've worked closely with Bill for a number of years, and
23 he is a big asset to our area and I appreciate what he
24 does. And of course, Michael, I'm past chairman of the
25 RTC and three years ago the president of the council of
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1 governments, so I have worked with them for a number of
2 years, and I appreciate what they do.

3 MR. WILLIAMSON: Jack, you're always welcome
4 here. You're a good friend of TxDOT.

5 MR. HATCHELL: Thank you.

6 MR. WILLIAMSON: Anybody want to visit with
7 Jack?

8 MR. HOUGHTON: Thank you.

9 MR. HATCHELL: Thank you very much.

10 MR. WILLIAMSON: Okay, Mr. Purefoy, is it Gary
11 or Greg, George?

12 George, you said you're just available for
13 questions, and Mike, you said you were available for
14 questions, and Pat says Pat wants to speak, so how do you
15 want to do it.

16 MR. PUREFOY: If it's okay, I'll just go ahead
17 and take a couple of minutes, Mr. Chairman.

18 MR. WILLIAMSON: Are you George?

19 MR. PUREFOY: George Purefoy.

20 MR. WILLIAMSON: Welcome.

21 MR. PUREFOY: Thanks. It's a pleasure to meet
22 you.

23 I'm city manager of Frisco and I have been
24 there for 18 years. I guess I just wanted to kind of give
25 you the thought process behind why we are trying to find

1 some solutions other than a CDA, and the whole purpose of
2 it is -- and you hit upon it, Mr. Chairman -- is to try to
3 save our citizens some money.

4 MR. WILLIAMSON: Totally understandable, by the
5 way.

6 MR. PUREFOY: We feel like that's what we're
7 paid to do.

8 I don't know a lot about the CDA process
9 because I've been told by the TxDOT officials because
10 they're not allowed to disclose it or they'll lose their
11 jobs, so I'm having to assume a lot of things, the
12 negotiations about what's actually going to occur. They
13 said they had to sign non-disclosure confidentiality
14 agreements.

15 MR. WILLIAMSON: But that's not about the
16 process, that would be about a particular CDA application.

17 MR. PUREFOY: And I assume that would be the
18 one that would control 121.

19 MR. WILLIAMSON: Right. Is that not the case,
20 Bill? You didn't tell him that you'd get fired for
21 talking about the process, did you, just that particular
22 CDA application?

23 MR. PUREFOY: Not about the process but the
24 particular 121.

25 MR. HOUGHTON: Yes, that's confidential.

1 is we don't know that because we're not in those
2 negotiations, so all we can go on is kind of what we've
3 heard.

4 MR. HOUGHTON: Right.

5 MR. PUREFOY: And what we've heard is that the
6 toll rate would start at 15 cents a mile and go up with
7 the similar price index. That's what we've heard. Again,
8 because it is a closed process, I understand that we can't
9 hear what it actually is.

10 MR. HOUGHTON: There's so many things that
11 drive the rate, there are so many moving pieces that drive
12 that rate, and I think when NTTA comes forth with a
13 proposal, they'll see the same thing if they don't already
14 know what drives the rate.

15 MR. PUREFOY: But from a local level, can you
16 see that there might be a little bit of concern about
17 that?

18 MR. HOUGHTON: Yes, I understand from a city
19 manager's standpoint and an elected official's, sure.

20 MR. PUREFOY: I know each and every one of you
21 love the state of Texas and you love the citizens of
22 Texas, I know that, but at the same time, again, in our
23 ignorance, in my ignorance I just assume that there's
24 going to be some profit paid to the CDA, maybe not, but I
25 assume that there will be some profit paid to them.

1 If there is a profit paid to the CDA and you
2 can find another agency, such as the NTTA, that can do it
3 as efficiently as the CDA, it just seems like, using
4 common sense and logic, that that might save the citizens
5 some money and still get the state about the same return
6 because you're not shipping literally hundreds of millions
7 of dollars to a private company.

8 MR. HOUGHTON: I think I enumerated that with
9 Allan. It's not all about the return, it's about the
10 bigger 40-year process on what assets get built over that
11 time, what excess spins off, and like I said, there are so
12 many moving pieces in the process that drives all of
13 those numbers. I think when working with the NTTA, you'll
14 see that process.

15 MR. PUREFOY: I understand that, but we've been
16 told that the profit for the CDA could be anywhere from 10
17 to 20 percent, and again, not knowing what the particulars
18 are, I'm just going to use some round numbers.

19 If it is 15 cents a mile that it starts at, and
20 let's just say it is 10 percent they get, that means that
21 you could do the same job for 13.5 cents a mile if you
22 didn't have to pay the profit. If it is 20 percent, you
23 could get the same return for 12 cents a mile if you don't
24 have to pay the profit to the CDA. And I understand I
25 don't know what all the negotiations are and that's why I

1 started by saying I know they're confidential and can't be
2 disclosed.

3 MR. JOHNSON: Can I pop in here just one
4 moment? The genesis of all this conversation was the
5 report that Mike Morris brought forth and we talked about
6 "Near Neighbor/Near Time" and the leveraging factor, the
7 ability to use this delivery mechanism would benefit the
8 entire region, plus it would benefit the state also.

9 I'm interpreting that you're trying to isolate
10 this one segment, the extension of 121 up through Frisco
11 and on to the northeast, and trying to isolate the
12 economics of that one particular segment or project, when
13 as Commissioner Houghton is saying, we've got to look at
14 the region and the state and see what we can develop in
15 terms of "Near Neighbor/Near Time" in the whole area. And
16 so as Chairman Williamson said, clearly economics is a
17 factor, it's the engine that drives the train, if you'll
18 pardon the pun. But we're looking at more than just one
19 segment, we're looking at a plan that basically was the
20 genesis of this entire discussion, and it's a regional
21 plan.

22 MR. PUREFOY: From our point of view, if we can
23 get TxDOT close to the same amount of money and keep some
24 money in our citizens' pockets, we think everybody wins.
25 And that's the only thing that we're asking you to do is

1 give us a fair chance to see if we can meet that happy
2 medium to try to accomplish the goals that you're trying
3 to accomplish.

4 We understand, and I support, getting more
5 money to TxDOT. I've said for years that the gas tax
6 needed to be increased, and when you read on this deal
7 that Texans can't afford a gas tax increase, I suppose I
8 understand that, but by selecting particular roads, you're
9 basically putting all the increase on a select group of
10 Texans. And if I choose to drive from McKinney to Frisco
11 on 121 when it's tolled, I will pay the equivalent of the
12 cost of gasoline per gallon.

13 MR. JOHNSON: But you used a very operative
14 word there: choose.

15 MR. PUREFOY: I understand. But I have citizens
16 in my city that really have no option to get to Lewisville
17 other than to go down 121, and they're going to be paying
18 that toll regardless. And again, I think you've all
19 recognized it, it's our job to try to look out after the
20 best interests of our citizens and that's what we're
21 trying to do, we're trying our best to do.

22 And I will say I wish Chairman Williamson was
23 here.

24 MR. HOUGHTON: He's here.

25 MR. PUREFOY: I understand his definition of

1 Robin Hood. Since Frisco actually does pay money back to
2 the state as a Robin Hood school, I can tell you my
3 definition of Robin Hood, and that definition is when you
4 pay more than you have to to support your local community
5 and you send money to the state. There's a few number of
6 school districts in Texas that do that, and Frisco is one
7 of them, and we actually send tens a millions of dollars
8 each year to Austin, so it hits home with us a little bit.

9 MR. HOUGHTON: Obviously I have not done a good
10 job of explaining. You've said it over and over several
11 times, that money back to TxDOT. That money doesn't come
12 back to TxDOT, that money stays in your region to build
13 transportation assets. We're not taking it from there and
14 sending it to El Paso, it stays there. This is Michael
15 Morris's regional plan and here's how we're going to
16 accomplish that regional plan.

17 And you put a stake in the ground and said it's
18 15 cents a mile. No one knows that until NTTA brings a
19 proposal that looks at the region and how they're going to
20 accomplish all the transportation that Michael Morris has
21 planned over there, how to fix that issue. They will come
22 with a proposal to fix Michael Morris's and that region's
23 transportation issues.

24 But this money does not come to TxDOT. We've
25 got to clear that up real quick.

1 MR. PUREFOY: Well, I assume it goes to TxDOT
2 projects.

3 MR. HOUGHTON: In the region.

4 MR. PUREFOY: I understand. So it's TxDOT
5 projects in the region.

6 MR. HOUGHTON: And it doesn't have to be TxDOT
7 projects.

8 MR. WILLIAMSON: Transportation projects.

9 MR. PUREFOY: But when you get down to it, I
10 know you said 15 cents a mile may not be the number, but
11 that's the number we've been told.

12 MR. HOUGHTON: I don't know who's telling you.
13 Who is telling you?

14 MR. WILLIAMSON: One of the difficulties,
15 George -- if I can say George and you can say Ric --

16 MR. PUREFOY: Yes, sir. I'm from Palo Pinto
17 County so you can say George all day long.

18 MR. WILLIAMSON: Are you part of the Purefoys?

19 MR. PUREFOY: I am.

20 MR. WILLIAMSON: Good lord. One of the
21 difficulties that we face up here is that it is apparent
22 to us that no road in this state actually pays for itself
23 through taxes -- I shouldn't say no road, we think there
24 are some roads that pay for themselves -- but if you just
25 take the gasoline tax and motor vehicle registration fees

1 and allocate them as an accountant would, based on mileage
2 and use -- we spent a tremendous amount of money from 1956
3 to 1968 building a road system and then we spent the last
4 37 years consuming that equity -- on a cents-per-mile,
5 we're recovering maybe 46 to 48 percent of the actual cost
6 of every road in the state and suddenly it's come home to
7 roost.

8 I mean, our road system is starting to deteriorate, we
9 can't relieve congestion in our cities, it just don't
10 happen.

11 So sooner or later, I think, somebody has got
12 to be frank about this and say look, while we respect your
13 position in the city and we respect NHTA's charge to build
14 and maintain a limited tollway system, the truth is it
15 really does cost a whole lot more to build and maintain
16 these roads, probably something on the order of a dollar a
17 gallon in gasoline tax if we wanted to get right down to
18 it, and we're charging 20 cents in the state and keeping
19 16 of that.

20 So we have to, at every turn of the pay, ask
21 ourselves how do we lay in place a system that some day
22 will permit us to catch up from the past 25 years and get
23 even over the next 25 years so we don't have New Jersey
24 style congestion and California style air quality and --
25 I'll get a letter on this one, Gordon -- Mississippi style

1 economic development, and Louisiana style asset
2 preservation.

3 MR. HOUGHTON: Boy, you're going after it.

4 MR. WILLIAMSON: I'll get lots of letters on
5 that.

6 MR. PUREFOY: Throw Oklahoma in there too.

7 (General laughter.)

8 MR. WILLIAMSON: How do we avoid all of that?
9 And one of the ways we avoid it is having to ask the tough
10 question of ourselves, our staff and our partners: So
11 what's 15 cents a mile to us? That's nothing, we're
12 losing money, all of us are losing money. There's no way
13 to pay for that road and maintain it at 15 cents a mile
14 for your tolls. What ought the charge be? And we just
15 kind of believe that the only mechanism we can see out
16 there to charge the market rate of something is a private
17 sector run system that is dependent upon consumer choice
18 to establish the cost of building and maintaining that
19 road.

20 MR. PUREFOY: I understand, sir, but in all due
21 respect, if you were doing that to every road in Texas, it
22 would be a little more acceptable to the ones that are
23 just being kind of singled out.

24 MR. WILLIAMSON: No question about it. That's
25 the most difficult part of this.

1 MR. PUREFOY: And in closing -- and certainly
2 I'll answer any questions you want me to answer -- all
3 we're trying to do is find a way to get some money for
4 TxDOT roads within the region, "Near Neighbor/Near Time
5 Frame" and hopefully some other roads too, and yet at the
6 same time, keep the toll as low as we can on our citizens.
7 And that's, frankly, every year when we set a tax rate,
8 we're doing the same type of process when we do that, and
9 if not, we all need to go find something else to do.

10 MS. ANDRADE: Mr. Chairman, I have something to
11 say. Now, you may want to visit with San Antonio. They
12 had some of your fears when they received an unsolicited
13 CDA where we couldn't openly discuss it, and of course,
14 we've got guidelines to follow so it's not like we're
15 purposely hiding things, we just can't do that.

16 MR. PUREFOY: I understand.

17 MS. ANDRADE: But one of the things that I
18 would encourage you to do is to keep open communication
19 with Bill. Once he can share information, he will share
20 it with you, it's just that we can't at this point. But
21 you've got to trust us that we're not doing anything to
22 harm your region, we're trying to help your region.

23 And again, I want to echo what Commissioner
24 Johnson and Commissioner Houghton have said is these are
25 just not TxDOT dollars, they're your dollars too, and it's

1 about giving people choices. These are all things that we
2 work on, but I assure you that I don't think any of us sit
3 up here and say we're going to harm anybody, we're just
4 trying to help.

5 MR. PUREFOY: I don't think anybody is thinking
6 anybody is trying to harm anybody. All we're saying is we
7 think we've found a way to accomplish your goal and
8 accomplish our goal at the same time and both come out a
9 winner in the deal. We've accepted that the road is going
10 to be a toll road, we would just like, if at all possible,
11 to keep the rates as reasonable as possible.

12 MS. ANDRADE: Just keep that communication
13 open. Thank you.

14 MR. PUREFOY: Bill and I are having lunch, and
15 I hope, in the same token, that you'll take our comments
16 and look at other potential delivery methods to see if
17 there's a more reasonable way to do it also.

18 MS. ANDRADE: Thank you very much.

19 MR. WILLIAMSON: Now, Mike, you were on here to
20 answer questions, or do you want to say something?

21 MAYOR SIMPSON: I think I need to say
22 something.

23 MR. WILLIAMSON: That leaves Pat being last.

24 MAYOR SIMPSON: I think I need to say
25 something, Mr. Chairman, because apparently there's been

1 something in the newspaper that said that I don't think
2 you know what you're talking about.

3 MR. WILLIAMSON: I think the comment was
4 someone inferred that we'd already made our minds up and
5 make the best out of it. We don't make our minds up about
6 this; this is the region's decision, not our decision.

7 MAYOR SIMPSON: And I appreciate that, and I've
8 heard that many times today and I appreciate the comment
9 and the statement that you're making.

10 I want to just say that I'm speaking -- well,
11 Pat is going to speak to but I'm actually speaking on
12 behalf of Steve Terrell of Allen and Bill Whitfield of
13 McKinney, Pat Evans of Plano, and me of Frisco as the four
14 mayors.

15 I want to tell you that there's no doubt in our
16 minds we've got to do something on the main lanes of 121,
17 there's no doubt that we have to do the interchange at 121
18 and 75 and 121 and the DNT.

19 We as four cities are trying to do everything
20 we can, as you are, to reduce congestion, to improve air
21 quality, and to improve the quality of life in our cities.

22 I mean, we are 500,000 people right now in those four
23 cities and we'll be almost a million people by 2030, just
24 in those four cities. So we look at 121 as probably one
25 of the most important pieces of road in the entire area.

1 I know you've talked a little bit about the
2 cost and whether it's 12 cents or 15 cents and why is that
3 important, and I can just tell you that what we have faced
4 as a city in Frisco -- and I think all four cities have
5 faced this -- we have all struggled with, first of all,
6 getting our citizens to even consider tolling that area
7 without a lot of people coming to us with hundreds of
8 thousands of e-mails saying don't toll it for a couple of
9 reasons. One is the major north-south road into Frisco is
10 a toll road and the major east-west road will be a toll
11 road, and when Pat Evans talks to you about Plano, she
12 even has a more dynamic situation.

13 But I think the key thing here is that we
14 finally, after a year of all four cities working together,
15 got the four mayors, the four city councils to all agree
16 we are never going to get this road built in the next 15-
17 20 years unless we agree to toll it. And then we took the
18 approach of, okay, if we toll it, how do we toll it.
19 That's how we started out with the local government
20 corporation, and we understood your concerns there and
21 they were expressed back to us about what your concerns
22 were.

23 So we then started looking at what can we do to
24 provide that road as a toll road, get it built as fast as
25 we can, and for what we know -- and I don't want to

1 reiterate all the things that George has said and what
2 you've said back to him -- but our feeling was, based upon
3 the information that we had, that the best solution at
4 this time would be to utilize the NTTA. We felt like they
5 were a known entity, they were successful, they were
6 progressive, and that we had local representation, and so
7 we were looking and we are looking to have them
8 considered, just like you would consider a CDA.

9 I mean, I will tell you that I made a
10 statement -- and I don't know if this made the paper or
11 not -- that I would hope if you will accept unsolicited
12 proposals and now solicited proposals from a foreign
13 company as a CDA that you would at least accept either the
14 recommendations originally of a local government
15 corporation from four of the biggest cities in the Dallas-
16 Fort Worth area, and now through what we would like to do
17 with NTTA.

18 And I guess we certainly have worked very well,
19 I believe, with Michael Morris, with Bill Hale and with
20 NTTA. Michael talked about 35 meetings; I can assure you
21 it's been 35 or more meetings that we've held over the
22 last year with our four cities and the county trying to
23 find a solution.

24 Maybe we are totally misinformed, maybe you
25 will come back, as the commissioner said, and tell us that

1 a CDA is going to be this much and NTTA is up here, so
2 what is your concern. And all we're saying at this point
3 is we would like the NTTA proposal to be considered just
4 as you would a CDA, and right now our preference is to
5 work with the NTTA.

6 But you know, there's another thing that's
7 probably been put in the newspapers, and that is there's a
8 perception that if all four cities would say we don't want
9 it tolled, there's a perception that you'd say we're going
10 to toll it anyway. Now, what I've heard you say today is
11 that's a regional decision, and I don't know if that's
12 correct or not.

13 MR. WILLIAMSON: No, that would be a regional
14 decision. And the problem -- and I think Tony Hartsell
15 quoted me accurately on this -- the problem that right now
16 your cities face, next month it's going to be Fort Worth,
17 the month after that it's going to be probably some cities
18 on the southeast corner -- if I understand Michael's
19 comments on 161 correctly -- the problem every city in the
20 Metroplex and ultimately every city in Harris, Fort Bend,
21 and Brazoria counties, and ultimately every city in Bexar,
22 Travis, Hays and Williamson counties faces is sooner or
23 later if you're a regional compact, your regional partners
24 are going to look at you and say, Well, you had the chance
25 to toll that road and you passed, why should we agree to

1 allocate any state aid to your area? We're going to take
2 the state aid on a straight-up vote, or however you do
3 things, Michael, and we're going to spend it down here.

4 I've expressed to some members of this audience
5 with whom I'm very close I see a tremendously accelerating
6 deterioration of regional thought in our state based on
7 transportation, air quality, and perhaps even public
8 education. And the guy we work for is real focused on
9 gluing regions together, not letting them disintegrate.
10 I've heard him say more than one time I don't want Detroit
11 to ever happen in Texas, I don't want there ever to be a
12 day when people in Frisco aren't as equally concerned
13 about downtown Dallas as they are about their own city,
14 because if we don't stay glued together, we'll end up
15 being like so many other urban areas.

16 And that was the limit of my comment. We
17 believe in regional government, the guy we work for
18 believes in regional government.

19 MAYOR SIMPSON: And I believe the four cities
20 are good regional players, I think we're all working
21 together with the county, and I think we're all concerned
22 about the state.

23 Again, we want the NTTA proposal to be
24 considered, maybe it's one of the considerations, and we
25 would like for you to do that.

1 We are making, by the way, just so you know
2 what our city is doing, we've spent \$68 million on state
3 roads with Frisco funds in the last eight years and we're
4 building \$152 million worth of our own local roads, so
5 we're making our own contributions.

6 Thank you for giving me the opportunity to
7 speak to you today.

8 MR. WILLIAMSON: Thanks for coming.

9 MAYOR SIMPSON: And let me know who's writing
10 that and I'll talk to the reporter myself.

11 MR. WILLIAMSON: Have you got anything for
12 Mike? I think they're okay. Pat? Good to see you again.

13 MAYOR EVANS: I'm Pat Evans and I'm the mayor
14 of Plano, and I did want to tell you that all four of the
15 mayors did come because we did believe it was so important
16 for us to come down and tell you how much we support NTTA
17 as being the builders and operators of this toll road.

18 Steve Terrell and Bill Whitfield are back here
19 and they did make the trip, so I did want to make that
20 clear. We're not just speaking for them but they are in
21 the room and could come up and speak to you themselves if
22 you want to hear from them too.

23 I did want to tell you that Plano is a very
24 regional player and I am too. I'm on the Regional
25 Mobility Council in Dallas, I'm also on the Regional

1 Transit Council, I am also on the executive board of the
2 COG which is 16 counties, and Plano has always, our
3 council, our staff have always been very regional players.

4 Right now we're even talking about working with
5 the whole county on 75 pass-through tolling to go ahead
6 and start paving and enlarging and working on 75 from
7 McKinney all the way to Grayson County for you, and going
8 ahead and doing that for you and then having you pay us
9 back later. So we are working on regional solutions all
10 the time in that area.

11 And we've already, right up front, donated our
12 60 acres of frontage on the right of way of 121 and we've
13 been working from the very beginning to facilitate this
14 happening, because we know it's got to happen and how
15 important it is.

16 But I do want to tell you something about
17 Plano. Our southern boundary is formed by George Bush
18 Tollway, our western boundary is formed by the North
19 Dallas Tollway, and our northern boundary will be formed
20 by the 121 Tollway, so we are hemmed in and bound by
21 tollways on three sides, and our eastern boundary is just
22 that big.

23 So our citizens do feel pretty bound in by
24 tollways, and I did and have and will continue, I know,
25 after today get tons and tons and tons of e-mails. We're

1 just inundated by triple taxation and triple tolling and
2 triple all this just runs off the tongues real easy, and
3 they do feel overrun by tolls in Plano, we're surrounded
4 by them, and this will be another toll. So I know you
5 talked about regionalism and fairness and equity, and
6 Plano is surrounded now by tolls, so it is a sensitive
7 issue. You can't get anywhere, you can't get out of Plano
8 without paying tolls, and there are people in Plano who
9 it's a serious economic consideration for, so I want you
10 to think about that.

11 So while you say it's not the money, it is
12 important to us, and we respect what North Texas Tollway
13 Authority has done for us, and we can work with them, we
14 trust them, they do excellent work, they are responsive,
15 and they do take a local point of view but they also take
16 a very regional point of view, and their projects are,
17 like I said, just very responsive to us and come in top
18 quality and in every way excel.

19 And so we wanted to make this trip here to make
20 an important point to you that we strongly, strongly back
21 the North Texas Tollway Authority to build and to operate
22 121. So thank you.

23 MR. WILLIAMSON: You're always articulate.
24 Members?

25 (No response.)

1 MR. WILLIAMSON: Thank you very much.

2 MAYOR EVANS: Thank you.

3 MR. WILLIAMSON: I don't have cards from the
4 mayors that Pat mentioned. If you wish to come up you
5 can, but it's not necessary.

6 Do you want to wrap it up, buddy?

7 MR. SAENZ: I think Michael wants to say
8 something.

9 MR. MORRIS: Mr. Chairman, members, to recap
10 the five: number one, 161 in Dallas County and 121 in
11 Denton County, move forward with CDAs as quickly as
12 possible; number two, over the next 60 days you'll see us
13 evaluate the remaining portions of those toll roads,
14 working with partners, doing due diligence,
15 recommendations will be coming back to you from the region
16 through the Regional Transportation Council on how to move
17 forward; number three, we have lots of managed lanes,
18 we'll be talking to your staff about how to get CDAs up
19 and running on them as quickly as possible; we have the
20 Trans-Texas Corridor initiative and we await some
21 partnership with regard to how we can integrate those two
22 facilities together.

23 We have focused 90 percent of our conversation
24 on 10 percent of the toll road projects. I just wanted to
25 reiterate the commitment the region is making in moving

1 forward, and that 10 percent we think will be resolved, at
2 least for some of those projects, over the next 60 days.
3 Thank you.

4 MR. WILLIAMSON: Michael, we really appreciate
5 the work you do.

6 MR. SAENZ: I guess just in closing,
7 commissioners, we have started and have been working with
8 RMAs and county toll road authorities and RTAs to kind of
9 come up with a mechanism where we can work together
10 because we want to be able to gain on some of their
11 strengths and try to incorporate the new tools and allow
12 them to be able to participate or have the opportunity to
13 participate when we go through the CDA process. We're
14 going to continue to do that, and the goal is to be able
15 to put those assets on the ground and try to get those
16 assets to provide as much as we can so we can build more
17 assets sooner for people to use.

18 So with that, I'm going to go ahead and close
19 and I'll be happy to answer any questions.

20 MR. WILLIAMSON: Questions, members?

21 MR. JOHNSON: I have one question. Amadeo,
22 this has been a lengthy and extensive discussion. Has
23 anything been said from up here or is there anything in
24 your mind that would lead you to believe or that you have
25 heard that would indicate that the NTTA would not be

1 considered as let's call it the partner or the prime agent
2 for the delivery of 121?

3 MR. SAENZ: No, sir. Like I said, we have an
4 unsolicited proposal and we're moving forward with a 121
5 CDA procurement. We were coming up with a mechanism to
6 allow NTTA to be able to provide some of the services that
7 they provide, not only for 121, for the 161, for 360, for
8 all of the procurements that are open in the Dallas-Fort
9 Worth area, and nothing has changed that.

10 MR. JOHNSON: Thank you.

11 MR. WILLIAMSON: Anything?

12 (No response.)

13 MR. WILLIAMSON: I have two things, Amadeo. It
14 was apparent to me that Mr. Purefoy has some legitimate
15 concerns about the need to protect intellectual property
16 in the CDA process. Being a Purefoy from Palo Pinto
17 County, he's a hardheaded and good common sense thinking
18 guy, and I've been thinking a little bit about what he
19 said, and we may have the same situation developing in
20 North Texas that we had temporarily with the San Antonio
21 guys or the Bexar County guys, and that is a need to
22 figure out a way to include at least one person who can
23 act as an information broker with the cities and the
24 counties to sit in on the analysis process so as to
25 communicate to the public and to the elected officials how

1 the process works and to assure them that there's no
2 unethical decisions being made behind closed doors in the
3 dark of night.

4 So I want you to visit with Bill and visit with
5 Michael. I mean, maybe we need to have Michael sitting in
6 on this stuff, I don't know, but we need to develop a
7 mechanism. I think what we did in Bexar County relieved
8 citizens' concerns about that process and we may need to
9 do the same thing in North Texas.

10 MR. SAENZ: And I think really part of it,
11 there's an educational process that we can go through on
12 the process itself. We cannot discuss the actual
13 procurements unless we go through it and come up with a
14 mechanism very similar to what we came up with in Bexar
15 County where we can have someone there so they can sit in
16 and see that what we're doing is basically following the
17 process that we have put in place that everybody knows is
18 and we follow it down the line.

19 MR. WILLIAMSON: And I'm just saying, we don't
20 lose by figuring out who that neutral party is to
21 communicate with the cities and counties so that they're
22 assured that there's no deals being cut in the dark of
23 night. We know that but maybe we need to do something to
24 be sure they know that.

25 MR. SAENZ: We'll work on that.

1 MR. HOUGHTON: Hope, did you have something you
2 wanted to add?

3 MS. ANDRADE: Since we did this in San Antonio,
4 remember that workshop we had on CDAs?

5 MR. SAENZ: Yes, ma'am.

6 MS. ANDRADE: I can't tell you how many people
7 came up to me later and said how much better they
8 understood and how more comfortable they were.

9 MR. SAENZ: That's part of the educational
10 process I was talking about, and it's basically one on one
11 where we can explain what is a CDA, what actually happens,
12 and what are the benefits. I very briefly touched on them
13 as part of my presentation, but like we did in San
14 Antonio, we went through a hypothetical scenario, but we
15 were able to show people what are the benefits of it.

16 MS. ANDRADE: Yes. We spent a whole day, we
17 had three or four sessions, but they were well worth it.
18 And I think what they will find is that some of their
19 concerns are premature. Thank you.

20 MR. WILLIAMSON: The second thing, Amadeo, I
21 started to bring this up several times during the 3-1/2
22 hours and I realized it might seem argumentative, so I
23 waited until the last. This is directed to Michael and to
24 Bill and to Paul, primarily.

25 The goal of the department, the goal of the
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1 commission is a completely, totally electronic, no-
2 exceptions toll system. We really don't want to litter
3 the Texas landscape -- no offense intended -- with coin
4 box collection. We envision that if you get on a Texas
5 toll road, you're electronically paying for it, and that's
6 it, and if you haven't got the setup to pay for it, you
7 don't need to be on it, and we envision an enforcement
8 system to make that happen.

9 We think it's kind of difficult to enforce our
10 vision of that onto NTTA and HCTRA, and so as you're
11 working through how NTTA might be the provider for this
12 and all other toll roads in the North Texas area, give
13 some thought to how you reach the commission's very
14 important goal of no boxes, no stops, no gantries, no
15 disruptions. This is the electronic age. We think the
16 day is coming where you just put your Master Card up as
17 you go by and it will track you and you can pay for it by
18 your card -- it's not there yet.

19 But we don't want coin collection on our toll
20 roads at all, not at the exits, we don't want a big plaza
21 over here you can go to, we don't want any of that. We
22 want 70 miles an hour, hit the registry and keep going.
23 We want to relieve congestion in all cases. So try to
24 work towards that as you're trying to figure it out, if
25 you would.

1 I want to thank everybody who participated in
2 this. Moreover, I want to thank everybody who sat here and
3 listened. There was a particular reason why I needed the
4 corridor group to listen to this. I think, Tim, you may
5 get mad but I think you may have learned a lot about how
6 to make us think about what you have to say by watching
7 what we just went through.

8 I'm sorry, Amadeo.

9 MR. SAENZ: I guess one point that, as I was
10 listening to all the presentations after mine, is that we
11 need to realize that the region is the entire region and
12 not only a subpart of a region.

13 MR. WILLIAMSON: I'm glad you pointed that out.
14 When people ask us what we think about regions, we
15 instinctively think about COG regions and how they relate
16 to TxDOT districts. We don't think about just four
17 counties in the middle or two counties in the middle or
18 five, and if we did, we'd be fired because one of the
19 things the governor worries about more than anything else
20 is people in Weatherford not caring as much about what
21 happens in downtown Fort Worth as they do about Palo
22 Pinto. He just has this tremendous fear for the future of
23 our state that we have to all kind of stay glued together,
24 that this is one Texas and every city center is important
25 to us, not just a couple of counties.

1 I'll never forget at one point in my life
2 Duncanville was thought of as the next Plano. Now, that's
3 not what happened, Plano became the next Plano. But I can
4 remember the day when everyone said that the technical and
5 growth corridor of Texas would be Duncanville. Now,
6 imagine what would have happened if we didn't think about
7 serving Plano's needs as it developed despite the fact of
8 what we thought was going to happen. We just don't want
9 that to happen in Texas.

10 Is that it, Amadeo?

11 MR. SAENZ: Yes, sir.

12 MR. WILLIAMSON: Thank you very much.

13 We would normally take a break but we're
14 running way behind so we're not. Break as you need to.
15 We're ready to hear from the corridor people.

16 MR. BROWN: Mr. Chairman, members of the
17 commission. I appreciate the chance to be here. My name
18 is Tim Brown. For those of you I've not met, I'm a Bell
19 County commissioner right up the road, and I have the
20 honor of serving as the chairman of this citizens advisory
21 committee.

22 And if I may beg an indulgence, I'd like to
23 have our committee members who are still here stand.

24 MR. WILLIAMSON: It's been a long day.

25 MR. BROWN: We started off with almost a quorum

1 but several of the members had to make travel plans.

2 Thank you.

3 And I want to apologize for this. Since I have
4 so many people behind who are going to be keeping track of
5 what I say, I am going to read from prepared documents,
6 which I normally would not do, but I want to be sure that
7 I more or less get this right.

8 And I've got to acknowledge, Mr. Chairman, that
9 we certainly understand the significance of the discussion
10 that just preceded us. It is central to a lot of the
11 issues that have been discussed in our committee, and if I
12 had a chance to go back and rewrite this draft and clean
13 it up a little bit, I probably would, but we're not
14 insensitive to the realities that you're grappling with
15 here.

16 To begin with, let me tell you just a little
17 bit about this committee, again, for those of you who may
18 not be as familiar. We're a diverse group, as I'm sure
19 you know; we represent a wide range of geographic and
20 ideological perspectives; we have members from all over
21 the state. We have members who came into this process
22 with predetermined notions about the corridor concept,
23 both for and against. We have members who have very
24 strong feelings about specific issues related to the
25 corridor.

1 But I can tell you that the group has worked
2 really hard and we have invested ourselves in the effort
3 of trying to analyze this thing in an objective way and
4 keep our minds open. These folks travel in here once a
5 month from all over the state of Texas, at their own
6 expense, and devote time to this process, and we're really
7 trying to do our homework.

8 We do have various levels of sophistication
9 represented on the group. We have people who have a lot
10 of transportation experience and others who have virtually
11 none, so bearing that in mind, our dialogues internally at
12 times are more of a learning process than anything else.

13 As of yesterday, we've met seven times and the
14 first two meetings were devoted with just organizational
15 issues, electing chair and co-chair and setting some rules
16 in place and that sort of thing. We went through a formal
17 process to identify a list of specific topics. We just
18 went through an open discussion and listed 30 or 40 or 50
19 different things that came to mind that we either brought
20 to the table with us or things that constituents had
21 raised concerns about the corridor concept.

22 And then we went through a process to
23 prioritize and group those so that we could organize our
24 thoughts in a more efficient way, and then we formed some
25 subcommittees to go after the process of examining those

1 individual topics more directly.

2 Obviously we're still in a very early stage in
3 this process, but the committee felt like it was time that
4 we began to report back to you, at least on a preliminary
5 level, the substance of our discussions so far, so here we
6 are today.

7 First of all, let me tell you that the one
8 thing we all agree on is the fact that we are in a
9 transportation crisis in Texas, there's no question about
10 it, specifically along the key corridors in the most
11 populous regions in the state. I should hasten to add,
12 though, that we do feel that there are a number of the
13 corridor segments that were identified in the original
14 grand scheme that was rolled out that will never be built,
15 and we base that on just a fundamental look at the
16 population dynamics around the state.

17 I don't want to pick on a region of the state,
18 but we think that factors like the availability of water
19 or the non-availability of water will preclude massive
20 population growth in certain parts of West Texas, for
21 instance, and so forth. So those corridor alignments that
22 were proposed on that initial conceptual map may not
23 reflect accurately the true course of development that
24 we'll see over time.

25 Unfortunately, we think that's probably one of

1 the fundamental flaws in the way that concept was
2 originally rolled out because it was so big and it scared
3 a lot of people. We realize that's water under the
4 bridge, but that's the sort of thing that we're hearing
5 back from constituents out there.

6 As I indicated, our original organizational
7 approach was to break this thing down into manageable
8 bites. We've really spent time on three key areas so far,
9 and then there are several others that we've not gotten to
10 yet.

11 Generally, the first is location and a set of
12 peripheral issues that are related to location.
13 Understandably, this is the single topic of greatest
14 interest to most of the members. First, and predictably,
15 a number of our members have very strong preferences, very
16 strong opinions about specific locational issues that are
17 particular to their region, and that's exactly what we've
18 been listening to here today.

19 We know that the Dallas-Fort Worth region, for
20 instance, has a specific idea, they have a specific vision
21 for what they think the TTC should do when it gets to that
22 region of the state, and clearly some of our members have
23 brought those kinds of opinions into this process, and
24 they feel or hope that their participation in this process
25 may be a means of influencing some of those locational

1 decisions over time.

2 We understand that that may not necessarily be
3 the case. We're here to try to talk this on a conceptual
4 level, if we can, and that's the way we tried to keep it.

5 I will say in general that our committee does
6 agree that many of the alignment decisions should not be
7 made in the vacuum of the NEPA process alone. This is
8 really a significant point, we've spent a lot of time on
9 this.

10 It seems that the process has worked that we've
11 rolled the concept out, we've started into the
12 environmental process to define these hypothetical
13 alignments, and that goes through the NEPA process as
14 defined in federal law, and we understand that. But that
15 happens independently of the kind of input that we feel is
16 appropriate from the MPOs and from other community leaders
17 and business leaders, the very people that we're listening
18 to up here today from North Texas and other regions around
19 the state.

20 We feel that it would be more appropriate if
21 there were some way to do it to incorporate a heavier
22 level of that sort of input on the front-end of the
23 process and not just rely on that NEPA process to
24 determine what those alignments are.

25 Now, we don't have specific recommendations on

1 how to do that and we understand what a sticky problem
2 that is because you are dealing with federal law on one
3 hand and you're dealing with political and economic
4 realities on the other, but that public input on the
5 front-end of the process we feel is very, very important.

6 Related to location, the second largest piece
7 in all of these topics that overlap, by the way, is
8 connectivity, and perhaps connectivity is not the best
9 word, I think a better word is integration. And again, we
10 heard a whole lot about today with the discussion in North
11 Texas, their concern on how the TTC concept is integrated
12 into their local and regional transportation grid as a
13 critical piece.

14 Unfortunately, it seems that the Trans-Texas
15 Corridor, as it's been proposed, is a linear unit that's
16 almost discrete, it seems to exist out there in spatial
17 isolation if you look at some of the maps, and again, we
18 realize that nothing is final. But it's a bypass system,
19 and we're concerned that if it's not more carefully
20 integrated into our existing communities and into the
21 transportation network in our existing communities, that
22 it will be ultimately detrimental to those communities
23 economically and ultimately detrimental to the corridor
24 itself because to function feasibly it's got to attract
25 usage enough to pay for itself.

1 We've got to consider connecting into
2 transportation infrastructure or elements of
3 infrastructure that may be not even on the ground yet.
4 There are things that are evolving in certain communities
5 around the state that will substantially change the
6 picture of transportation over time in Texas, such as
7 trade processing centers, inland ports. Obviously the
8 Alliance Airport is an existing facility that's a perfect
9 example of what we're going to see in other communities
10 around the state. San Antonio is very actively developing
11 the Kelly project, Dallas is developing sort of a virtual
12 trade processing center.

13 As the impacts of international trade continue
14 to evolve, as trade barriers fall, as we see a larger and
15 larger share of trade flow in from Central and South
16 America or from the Asian Pacific theater through Mexico
17 and through the Gulf, we're going to see a larger and
18 larger impact on our local communities because of the
19 significance of that flow of international trade.
20 It's been an absolutely dramatic transformation that we've
21 seen since NAFTA was first enacted.

22 You don't have to look any further than just
23 census data from the decade of the '90s. The population
24 growth in Texas occurred along the trade corridors; 80
25 percent of the population in Texas occurred either along

1 the I-35 corridor or the I-45 corridor, a couple of key
2 regions along the coast and key regions along the border,
3 and that's a significant thing that can't be overlooked.
4 And the way that flow of commerce dovetails into our
5 transportation system is something that's got to be
6 integrated into the planning process for the TTC because
7 the TTC will serve that flow of commerce, and it's
8 important that we recognize where that flow of commerce is
9 going.

10 And I've completely left my notes. I'm going
11 to just skip on down and discuss location, the one thing
12 that I've got to mention that's a negative, because we
13 hear about it so much. I know you're aware of this but I
14 think I would be remiss if I did not mention the fact that
15 our rural communities will be so heavily impacted by the
16 development of the Trans-Texas Corridor that we've got to
17 be very, very cautious about what we do and the decisions
18 we make, both specifically where it's built, how big it
19 is, how it connects, what the access to it looks like, all
20 of those kinds of questions.

21 Family farmers are an endangered species in the
22 state. This will have an impact on one of those critical
23 regions like the Blackland Prairie. It so happens it's
24 critically important to me personally because I represent
25 a county, the eastern half of which is in the Blackland

1 Prairie, and I've got to tell you I've never seen an
2 organized effort like this Trans-Texas Corridor has
3 produced in that part of the state.

4 I've got landowners who have never been
5 politically engaged in any way whatsoever who are
6 adamantly opposed to this, partly because they don't
7 understand it, but they're scared to death, and so we've
8 got to be very careful about that.

9 The second subcommittee -- I'm going to move on
10 as quickly as possible in the interest of time -- the
11 second subcommittee focused on some of the surrounding
12 modes of transportation. The committee was loosely called
13 the Multimodal Committee, and we produced a resolution
14 that simply states that all modes of transportation should
15 be considered in corridor planning. Now, it's a very
16 simplistic sort of statement and we understand that your
17 primary concern, first and foremost, is to handle the
18 congestion on our highways, provide relief for congestion
19 on our highways.

20 We have some dissension among our committee on
21 this, but we do believe that rail is going to play a
22 larger and larger role over time, particularly in the
23 movement of heavy freight. Getting back to my comments
24 about international trade, we think there are
25 opportunities there to provide some real significant

1 relief, particularly to truck traffic, if we can find ways
2 to incorporate a larger share of rail and transfer a
3 larger share of that sort of heavy freight to rail.

4 Now, this might not necessarily mean that we've
5 got to go out there and build new freight rail alignments
6 in the corridor, it might not be necessary that we build
7 every element that's been proposed in each segment of
8 corridor. Working through those trade processing centers
9 and those multimodal hubs that are being developed in our
10 major urban areas, perhaps we can achieve greater
11 efficiencies in the transfer, utilizing a greater share of
12 the transportation infrastructure that's already on the
13 ground today, and to get back to that whole key word about
14 integration, trying to tie back to what's on the ground
15 today.

16 And again, the subject of using rail to move
17 people keeps coming up. We've heard discussions about
18 that in the previous presentation. We think that the
19 promise of moving people as part of a large corridor
20 system, moving people large distances is probably not
21 going to be feasible for years, but it's got to be
22 included at least in the conceptual planning process now.

23 We realize that it has been to an extent, but again, it's
24 a matter of prioritization of the resources, and we feel
25 like not setting that completely aside, we've got to be

1 realistic and solve our first problems first.

2 The third major topic that we focused on, and
3 this is really the most complex, has to do with the
4 financial aspects and the feasibility of projects, and I
5 think feasibility is really the key word that drives a lot
6 of the discussions that we've had so far.

7 As a starting point, let me say that we're in
8 total agreement that the corridor development project
9 should, at the very least, be revenue-neutral, and by that
10 I mean revenue-neutral with respect to our existing
11 funding stream to existing transportation systems. This
12 is something that's vitally important to our local
13 communities and I think it's something that maybe brings
14 us to a point of disagreement.

15 I'm not going to say that flat out, Mr.
16 Chairman, but I think that the premise that's stated in
17 your document where you lay out the priorities of
18 transportation for Texas seems to represent the idea that
19 any increase in gas tax or any increase in other funding
20 sources is off the table and that every increase in
21 capacity that we're going to achieve from here on out is
22 going to be toll-financed.

23 The fear we have is that there are so many
24 projects that need to be built in parts of the state that
25 will not be toll viable, they will not be feasible, and

1 they're going to continue to create an ever-growing demand
2 for resources above and beyond what's available today. I
3 don't think that we can ever completely take off the table
4 the idea that we may have to look at increases in gas
5 taxes or look at other traditional taxing sources of
6 revenue to try to increase funding to our transportation
7 system.

8 In other words, toll financing is an entirely
9 legitimate and viable and very reasonable funding solution
10 in some cases, but it's not going to be the answer in
11 every case. And when you look at a system approach, as
12 you appear to be doing here, there are going to be
13 elements of this system, particularly connectivity, that
14 may not be achievable through toll financing.

15 I think my own region is a perfect example. If
16 the Trans-Texas Corridor goes through the east side of
17 Bell County, our population centers are on the west side
18 of the county, we're going to have to build some really
19 significant upgrades to our east-west thoroughfare system
20 across the county just to provide basic connectivity, but
21 we're talking about a small medium-sized county with
22 limited traffic flows, and the preliminary numbers that
23 we've looked at don't suggest that building connectivity
24 through an RMA or some other structure would be feasible,
25 we don't think there would be enough traffic to pay for

1 itself.

2 So that's, I think, a weakness in the corridor
3 system. If you can't figure out a way to get people out
4 there to the corridor, the corridor is going to be
5 weakened; if we can't connect back to our local
6 communities, then we enjoy no benefit from the corridor.
7 So we've got to find another mechanism for paying for
8 those, and under the existing scenarios, it seems the only
9 way we could do that would be to re-prioritize our local
10 projects and divert monies that were otherwise allocated
11 for projects that are on the books to build connectivity
12 which means there are other unmet needs.

13 So I think this is a central point and I'm
14 going to say it one more time, toll financing is not the
15 entire answer, I think we've got to try to keep some other
16 options on the table.

17 MR. WILLIAMSON: Tim, I intended to try to let
18 you go through your entire presentation and not interrupt
19 you, but I'm afraid I can't because there's something I
20 need to ask you about.

21 MR. BROWN: I'm almost done.

22 MR. WILLIAMSON: So can I interrupt and ask you
23 one question?

24 MR. BROWN: Absolutely.

25 MR. WILLIAMSON: I don't think we would want to

1 imply to any citizen and specifically to a committee of
2 volunteers we've asked to assemble to give us advice,
3 check us off, tell us when we're right, tell us when we're
4 wrong, that we are against whatever revenue stream the
5 congress or the legislature would wish to create.

6 MR. BROWN: I understand.

7 MR. WILLIAMSON: And we completely understand
8 that your position would have to be we don't believe we
9 should take gasoline tax off the table. I just want to
10 emphasize to you our viewpoint of that.

11 We don't think it matters what those interested
12 in transportation say to the legislature and the congress,
13 we believe that transportation commissions across this
14 country have to resolve themselves to the fact that those
15 taxes aren't going to be raised ever and that we have to
16 plan appropriately if we intend -- particularly those of
17 us in donor, high-growth states, we have to make
18 alternative plans because to not do that would be to
19 continue to permit our system to congest and deteriorate
20 and weaken air quality and lose jobs, and we're just not
21 prepared to do that.

22 So we don't mean to say we disagree with you
23 necessarily. If you can talk the legislature and the
24 congress into changing the funding stream, power to you.
25 We just reached a decision three years ago -- the governor

1 reached a decision four years ago that he believes he
2 knows the way the world is going to go and we don't need
3 to plan for something different. That's all.

4 MR. BROWN: I understand.

5 MR. WILLIAMSON: And we think there's reasons
6 why.

7 MR. BROWN: And we don't disagree with any of
8 that. I personally think that the governor and the
9 leadership in the state did the right thing by providing
10 some alternative funding sources -- and I think my
11 committee would agree with me on this -- and provide you
12 with some tools to build infrastructure that otherwise is
13 never going to be built under the existing funding
14 scenarios. I mean, we're all in agreement on that.

15 Going back to my opening statement, we have a
16 crisis in Texas, there's not enough money to pay for
17 everything. But I think we've got to be cautious and
18 realistic at the same time and realize that tolls won't
19 pay for everything either simply because there are so many
20 projects out there that are not going to be feasible, and
21 we have to be very careful about that.

22 MR. HOUGHTON: Did you get a copy of the United
23 States Chamber of Commerce report on the Highway Trust
24 Fund, their analysis?

25 MR. BROWN: The latest report?

1 MR. HOUGHTON: Within 30 days?

2 MR. BROWN: No.

3 MR. HOUGHTON: That should be given to this
4 committee as to the crisis and their recommendations.

5 MR. BROWN: I've watched their reports from
6 year to year, but I've not seen one.

7 MR. HOUGHTON: Specific to the Highway Trust
8 Fund, Federal Highway Trust Fund.

9 MR. BROWN: No, I have not, Commissioner, and I
10 look forward to seeing that.

11 MR. HOUGHTON: Yes, we need to get that to
12 them.

13 MR. BROWN: And I realize that we're preaching
14 to our partners in this frustrating situation on this, and
15 this message really needs to be delivered to our
16 leadership and the decision-makers in the capitol, but I
17 think it's very important that we understand each other on
18 this.

19 We're not criticizing the use of tolls, we're
20 not criticizing the flexibility that's been given to TxDOT
21 to do its job. We think that these are wonderful tools
22 and they're producing some wonderful results, but we don't
23 think they're going to solve every problem that we're
24 going to see that's contingent to the corridor concept.

25 Let me speak on this issue of feasibility just

1 a little bit more, and this is really for corridor
2 projects themselves. It seems to me that a comprehensive
3 analysis of our traffic streams -- and I'm talking about
4 potential users -- has really got to be done as part of
5 the front-end process. Now, I've talked to Mike about
6 this and I'm assured that this is going to happen
7 somewhere down the line.

8 But we're talking about drilling down into the
9 stream of trucks that are rolling up and down Interstate
10 35, for instance, or rolling along the Gulf Coast, and
11 doing the same thing with passenger traffic, and doing
12 complex origin and destination studies to figure out where
13 those people are going, where those truckers are
14 delivering those loads, where they came from, and then
15 take that data as a decision-making tool to plug into a
16 model to try to generate what those actual revenues are
17 going to be.

18 Now, I'm told that this happens later in the
19 process, and it's going to happen when a bonding agency,
20 for instance, is going to issue bonds, they're going to
21 generate all this kind of data, but it seems to me that on
22 the front-end, as transportation planners, we need that
23 kind of information to make really basic, fundamental
24 decisions about where we can and can't build these
25 corridors.

1 It doesn't make much sense to roll an alignment
2 out on a map that we're going to find out later on is not
3 feasible in the first place, and we're going to invest a
4 lot of time and effort in developing preliminary
5 engineering and going through public hearings and doing
6 all kinds of stuff, and then we may find out that our
7 utilization is going to be a fraction of what we thought
8 it was.

9 So it seems to me that pulling that sort of
10 detailed comprehensive feasibility analysis further to the
11 front in the process as a planning tool is a significant
12 fundamental step that needs to be done and it's not part
13 of the process now. It seems to me that the alignment
14 decisions are based on the NEPA process and then further
15 down the line we get to feasibility, and it's backwards.
16 It seems to me that we're leaving a fundamental part out
17 on the front-end.

18 There are a series of concerns that I'm going
19 to run through here very quickly, and I'm sure you've
20 heard them all, but one of the basic concerns with the TTC
21 process itself is that it will drain resources from local
22 communities, and I've already given you one scenario under
23 which that would occur. If it's necessary for us to re-
24 prioritize our existing transportation dollars to provide
25 connectivity, then that is, in fact, a drain.

1 A second concern is that the state would have
2 to dedicate some larger portion of other available dollars
3 to a segment of the corridor that was perhaps not feasible
4 or was marginally feasible in order to sweeten the pot, so
5 to speak, for a concessionaire to push the corridor
6 forward that otherwise wasn't going to pay for itself on
7 the front-end.

8 Some of these things are going to take years
9 and years and years to pay back, some of them are not
10 going to be feasible on the front-end but they may be 30
11 or 40 years from now, and the fear is that the state, in
12 its desire to get these things on the ground now,
13 legitimately is going to use other funding sources to
14 sweeten that pot. And again, any decision that's going to
15 result in a net reduction through our available funding
16 streams is going to be unacceptable.

17 We strongly feel that regardless of what we
18 build in these new corridors, the existing interstate
19 system and our existing regional grid is still going to
20 carry a vast majority of the traffic. Now, I realize
21 we've got to build for the future, but we can't forget
22 that we're not going to divert a lot of traffic out there.

23 We're going to push traffic out there eventually, but our
24 existing system is going to continue to be overloaded, and
25 so we've got to continue to preserve and protect those

1 funding sources that are necessary to keep that system
2 working and to make incremental improvements where we can.

3 You know, I understand that we're locked in in
4 terms of right of way in so many places, we can't add
5 capacity in our existing urban areas and so forth, but
6 there are incremental changes that we need to be able to
7 make over time and we've got to have the funds to do that.

8 The bottom line, quite simply, is we're
9 concerned about the under-funding situation all the way
10 across the board, and the fear is largely that the
11 corridor concept will solve a problem over here but
12 neglect a problem that's in our own backyards.

13 One of the final things that I really want to
14 talk to you about is communication. As you sense from the
15 comments that are coming back from our committee, a lot of
16 what we talk about are the same fears that we hear about
17 at home, they are things that we pick up from the letters
18 to the editor, the phone calls that we get, they're the
19 concerns that are raised through our local MPOs and so
20 forth, and it seems that we have not done a good job in
21 really addressing the public information process.

22 This is an enormous concept, it's the biggest
23 thing that Texas has ever rolled out in terms of
24 transportation, and to be perfectly frank with you, it's
25 just scared the bejeezus out of a lot of people. There's

1 folks out there who don't know what it's going to do to
2 them, they imagine the worst, quite naturally. And so I
3 think that because of the scope of the project, it's
4 imperative that the scope of the public information effort
5 be equally huge.

6 I know that with TxDOT's limited resources they
7 can't spend a lot of money on public information beyond
8 the normal public hearings that you hold for any project,
9 but I think it would be appropriate, and my committee
10 feels very strongly it would be appropriate that some
11 effort be made to ramp up the public information effort on
12 this, just to dispel a lot of those misconceptions and
13 those fears that are out there.

14 We can't go back and start this thing over,
15 obviously. I think the way it was rolled out initially
16 spooked some people and now we're playing defense,
17 frankly. We're on the other side of the table in trying
18 to answer concerns; some are legitimate, some are not.

19 I'm going to close briefly. I'm not going to
20 read these to you but we have four formal resolutions that
21 have come up through our committee process, and two of
22 them deal with this issue of public communication.

23 One relates to location and it's also related
24 and it basically says to consider more input from more
25 sources than you normally would in determining location

1 and connectivity issues, quite simply, not just from the
2 MPOs but listen to business groups and other
3 transportation advocacy groups that may not always be part
4 of the process, and again, try to be more inclusive and
5 more comprehensive in your public dialogue on making
6 location decisions.

7 The second one deals specifically with public
8 communication and has some very specific language about
9 recommendations about doing it, not necessarily a media
10 campaign, we don't want to create the perception that
11 you're trying to sell something or trying to convince the
12 people of Texas that they should swallow something, but
13 inform people, get people clued in to what the real facts
14 are.

15 And the third one, one of the most significant
16 pieces of this public information thing is a clear
17 definition of need. I think a lot of people are not
18 convinced that we need it in the first place, and that's
19 something that's got to underlie any public information
20 effort, we've got to first remind people of the situation
21 that we're in. People that are out there in some of these
22 smaller communities who don't see any traffic congestion,
23 they don't see a problem, the problem is over there
24 somewhere. And somehow we've got to make that case that
25 this is a state problem and that our future depends on it,

1 that our economy depends on it, that the future for our
2 grandchildren depends on it, and that's a central part,
3 that statement of need.

4 And then the fourth was very similar to the
5 first one and it has to do with dealing with regional
6 contacts and trying to be more inclusive in soliciting
7 input on all kinds of dialogue and decision-making
8 processes. And I'll just leave these with you.

9 That essentially summarizes the discussions
10 we've had. We've been bringing subject matter experts
11 through the process to try to get ourselves educated.
12 We've learned quite a bit, we've got an enormous amount of
13 ground yet to cover. We hope that somewhere not too far
14 down the line we'll have some very specific
15 recommendations that we can make that might be helpful to
16 you.

17 I can tell you we're very grateful, Mr.
18 Chairman, that you came over and spent time with us
19 yesterday. We've been grappling with some fundamental
20 questions internally about what is it that we're supposed
21 to be doing, what is it the commission needs from us, and
22 so any guidance that you can give us as we go forward that
23 helps define what our mission is will help us do a better
24 job for you.

25 We'll continue to work through the coming year.

1 I mentioned a technical issue to Mike a while ago. I
2 think that it will be appropriate or necessary for you to
3 enact some formal minute order or something that will
4 continue the existence of the committee if you choose to
5 do so. If we look back at that original, I think it
6 expires if you don't renew it.

7 MR. WILLIAMSON: I think we intend to do it.
8 The day that we were going through what became the CINTRA
9 proposal when the governor leaned over and said I want you
10 to do this, he meant for the life of it. So I think what
11 he envisions is someone standing out there kind of apart
12 from the process, diverse, and interested in
13 transportation, being willing to say every month, okay,
14 this is our observation and this is what we recommend you
15 do.

16 We're not looking for a cheering squad, we're
17 looking for somebody that can make the good and the bad
18 observations and act as -- you know we hire engineering
19 firms every day, Tim, you know that, and we hire
20 engineering firms to check engineering firms, and we hire
21 engineering firms to check those engineering firms. What
22 we don't ever hire and what we could never hire is someone
23 who is just interested in the problem to stand out to the
24 side and watch us like a big brother and say, well, wait a
25 minute, in Lubbock, in Amarillo, in Temple, in east

1 Dallas, these are some concerns and you need to address
2 this and you need to answer that question, and we suggest
3 you do that.

4 I mean, I saw some pretty clear recommendations
5 in this first report, and I would love it if it would get
6 down to a one-page really direct, either letter to me or
7 resolution of your committee, that says we think you ought
8 to do this.

9 MR. BROWN: Well, I hope we get to the point
10 that we're comfortable with making those kinds of specific
11 recommendations. Clearly we want to feel like we know
12 what we're talking about first and it's going to take us a
13 while to get there.

14 I will forward these, or I guess I could give
15 these to your clerk, the resolutions we have here, and
16 we'll continue to dialogue.

17 MR. WILLIAMSON: We appreciate it.

18 MR. BROWN: Are there any questions?

19 MR. WILLIAMSON: Members?

20 MR. JOHNSON: I've got one.

21 MR. WILLIAMSON: John.

22 MR. JOHNSON: Tim, first of all, thank you and
23 thank your committee for undertaking this task. It's very
24 helpful, I believe, to the four of us and also the entire
25 department.

1 The four resolutions that you brought, were
2 they all passed without dissent?

3 MR. BROWN: No. Three were unanimous, if I
4 remember correctly, and one had a couple of dissenting
5 votes.

6 MR. JOHNSON: Okay.

7 MR. BROWN: But they were close.

8 MR. WILLIAMSON: We've learned in life that we
9 can all try to agree but sometimes we won't, and that's
10 okay.

11 MR. JOHNSON: Sure, there's nothing wrong with
12 that.

13 MR. BROWN: And they're fairly general in
14 nature which we're still trying to approach this on a
15 conceptual level, as I said, and deal with policy issues.

16 MR. JOHNSON: I think it's important that
17 you've created an atmosphere where people are free to,
18 one, express their opinions, and two, if they don't agree
19 that they can vote no.

20 MR. BROWN: Well, the governor created this
21 atmosphere and he deserves the credit for that. I agree
22 with you, I think it's a good thing. I think it would
23 have probably been helpful if this had been done two years
24 ago before the corridor concept got so far down the road,
25 but we're all eager to continue to do what we can to

1 ensure that it's a good concept for Texas and that it
2 moves forward in a successful way.

3 MR. WILLIAMSON: Ted or Hope?

4 MR. HOUGHTON: I just want to thank you, Tim.
5 It's obvious we've got a lot of work to do as far as the
6 public relations outreach, we've kind of missed that shot,
7 and it's great to have people point it out to us.

8 MR. BROWN: Well, that's a message that seems
9 to resonate everywhere we go.

10 MR. HOUGHTON: Yes, that's the one that keeps
11 bubbling up continuously, the public relations outreach
12 and the information campaign. But I thank you, and I know
13 a couple of members on the committee and thank them,
14 please, for the obvious labor of love that you're going
15 through.

16 MR. BROWN: Well, I do want to close by
17 expressing my gratitude to the committee. We've got a lot
18 of talent in that group. Again, we're coming from a lot
19 of different perspectives, but we've got good people on
20 the group and they're working hard for you.

21 MR. WILLIAMSON: Hope?

22 MS. ANDRADE: I'd also like to thank you for
23 your leadership and certainly thank the committee for
24 their commitment and dedication to this issue. And you
25 know, we're all learning to be better communicators.

1 MR. BROWN: Well, we hope so.

2 MS. ANDRADE: Thank you.

3 MR. JOHNSON: I want to thank Sandy and
4 Charlie, and I'm sure there are some others, for their
5 endurance today.

6 MR. WILLIAMSON: Yes, we appreciate you
7 hanging, Sid and Ann, but we arranged things for a
8 specific reason. We thought maybe if you got to watch
9 that colloquy you would gain some things that would help
10 you.

11 MR. BROWN: I always learn when I listen to
12 Michael Morris. He's amazing.

13 MR. WILLIAMSON: Oh, man, I tell you.

14 Hey, Amadeo, tangential to 35 but certainly
15 relative to the corridor itself, we need to have a little
16 bit of an understanding about the letter we received from
17 the governor and instructions on Interstate 69 and TTC-69
18 and interstate to the south part of the state.

19 I understand the letter real clear, he wants a
20 plan to either build or produce an interstate-quality
21 highway from Corpus Christi to the Lower Rio Grande
22 Valley. He stayed out of designating a route, as he
23 should, that's not for us to do right now. He also gave
24 us some pretty stiff instructions about soliciting a
25 proposal for the full blown TTC-69 from somewhere in the

1 south to the northeast.

2 What actions are we going to take immediately
3 to begin the process he asked us to do? And the elephant
4 in the room is if we're going to use an existing footprint
5 for an interstate road south, we're ultimately going to
6 have to make a tough decision about where that is, and I
7 just kind of want to know what the framework is to make
8 those decisions. Or maybe the commission wants to suggest
9 what framework they want, I don't know.

10 MR. SAENZ: For the record, Amadeo Saenz,
11 assistant executive director for Engineering.

12 I guess I'll answer the easy question which is
13 the I-69 first. We are in the process and have approved
14 to move forward with hiring a GEC for the TTC-69
15 procurement. We hope to be able to by March have a
16 request for solicited proposals out in the field for the
17 TTC-69 full blown to keep it going.

18 MR. WILLIAMSON: So even though there are
19 enough people in this room to hear you say along about
20 March we're going to go out to solicit proposals, so if
21 you're one of those five or six that have been studying
22 this and getting ready, you're on notice that in the next
23 90 days you're probably going to be asked to reduce your
24 readiness to writing.

25 MR. SAENZ: Right.

1 For the corridor, the interstate-quality
2 corridor down to the Rio Grande Valley, we had some
3 studies that we had been doing for I-69 and of course I-69
4 was designated on the 77 corridor and also on the 281
5 corridor, also on the 59 corridor to Laredo, so we've got
6 a meeting sometime this afternoon after our commission
7 meeting to kind of brainstorm and see how we can get that
8 process going.

9 But our goal is to move forward, see where
10 we're at, see what we have to do on the environmental
11 perspective. We've got a meeting Monday with Federal
12 Highway Administration to discuss environmental issues,
13 concerns dealing with how to move forward in that
14 direction, and hopefully by the end of next week I can
15 give you a full plan.

16 But our goal is to take the letter from the
17 governor and move forward and get both of those processes
18 going as quickly as possible.

19 MR. WILLIAMSON: And we would certainly want
20 the advisory committee that the governor asked us to
21 create to be fully informed of what we're doing so they
22 can start getting ready to think about that. We wouldn't
23 want to confuse them. The interstate-quality highway
24 south may or may not be part of TTC-69.

25 MR. SAENZ: That's correct.

1 MR. WILLIAMSON: But like I said, the elephant
2 in the room is somebody is going to have to make a
3 decision, if we use existing footprints south and west,
4 what that is, and it's my view that that decision should
5 be put off.

6 MR. SAENZ: Yes, sir. And that really needs to
7 be the first decision that we make as we move forward.

8 MR. WILLIAMSON: Might as well get that pain
9 out of the way because there's going to be some and move
10 on. And if it's necessary to create a committee or
11 whatever to do that, I'm all for it, but I don't want to
12 put it off. I mean, the governor has made clear his
13 intentions and I want to move forward.

14 MR. SAENZ: After today's meeting and our
15 meeting Monday with Federal Highway, we'll put a little
16 action plan together which may include maybe requesting
17 the commission to set up some kind of committee structure,
18 and if that needs to happen and needs a commission minute
19 order, we'll have it in January. But I think there's
20 enough people out there that are interested that we can
21 set up some informal working groups to discuss how this
22 project can be developed.

23 MR. WILLIAMSON: Members, anything about this?

24 MR. JOHNSON: I've got one. I saw Shawna
25 Russell handing out some material. Could she come up to

1 the podium?

2 Shawna, Commissioner Houghton and I have a
3 little bet and the bet is I bet him that today was your
4 25th birthday and he said no, it was the 26th. Could you
5 shed some light?

6 MS. RUSSELL: You win, definitely. And don't I
7 look pretty in red when I blush? All right, you tricked
8 me; you scared me too.

9 MR. SAENZ: That's what you get for handing out
10 stuff.

11 MS. RUSSELL: I know.

12 (General laughter.)

13 MR. SAENZ: But we will get on this thing and
14 get something done pretty quick.

15 MR. WILLIAMSON: Just make sure the committee
16 is clued in.

17 MR. SAENZ: Yes, and we will do that.

18 MR. BEHRENS: And we will be putting together a
19 response to the governor on his letter.

20 MR. WILLIAMSON: Okay. Any other matters
21 concerning this public discussion item?

22 (No response.)

23 MR. WILLIAMSON: Members, I prefer to not take
24 a break but break as we need to, and let's just roll it on
25 out, if that's okay with you.

1 Michael, hit it.

2 MR. BEHRENS: We'll go to agenda item number 7.

3 This is our proposed rules for adoption, and our first
4 one is agenda item 7(a) which deals with Finance, and Phil
5 Russell.

6 MR. RUSSELL: Thanks, Mike. Good afternoon,
7 commissioners. For the record, I'm Phil Russell, director
8 of the Turnpike Division.

9 Item 7(a)(1) are proposed rules that relate to
10 the operation of our toll roads. There are two main
11 components of it -- actually a third. The third is more
12 definitional, but I know we're running long today but I
13 thought I might just hit the highlights of those two main
14 areas.

15 The first area would direct the department to
16 adopt toll collection and enforcement policies, and it
17 also does indicate some of the criteria that we would
18 utilize in developing that policy. For instance, it would
19 establish the price of our tag, our sticker tag at \$9.65.

20 There are many criteria that, in my view, would help us
21 towards the commission's goal of an all-electronic format.

22 For instance, it would provide some flexibility
23 that would allow us for certain short periods of time to
24 waive that toll tag price for marketing and in order to
25 try to incentivize people to get a toll tag and to use

1 that electronic toll collection system. It would also
2 direct us to calculate what the administrative fee would
3 be for those folks that are toll violators. By law it can
4 be no more than \$100 and it cannot exceed our cost to
5 collect those tolls.

6 The other area that I think is important on
7 these proposed rules is it would provide another mechanism
8 to allow us to utilize the comprehensive development
9 agreement process as we select toll operation components,
10 and really there's two main areas of this as well.

11 On the one hand it provides a process that we
12 could bring in like our toll integrator, toll operations
13 folks that do the software and hardware design, the
14 mechanism would be included in this process. Another one
15 would allow us a process to bring in a long-term
16 operations concession. An example of this might be where
17 we have a TxDOT toll road and we choose instead of a five-
18 year type service contract, we choose to go out with a
19 long-term 50-year concession where somebody could operate
20 our toll road project, and this would be the CDA process
21 that we would use in selecting that long-term
22 concessionaire.

23 Staff would recommend approval of this minute
24 order, and I'd be happy to address any questions you might
25 have.

1 MR. WILLIAMSON: Members, you've heard the
2 staff's recommendation and explanation. Do we have
3 discussion?

4 MR. JOHNSON: Where did the \$9.65 charge come
5 from?

6 MR. RUSSELL: That's the contract price of what
7 it's going to cost us to actually purchase those sticker
8 tags.

9 MR. JOHNSON: It's not a number that sort of
10 jumps off the plate at you, you know, \$9.50 or \$9.75.

11 MR. RUSSELL: It's the contract cost.

12 MR. HOUGHTON: Tax, title and license.

13 MR. RUSSELL: It's the actual contract price of
14 what the provider can deliver those toll tags for us.

15 MR. JOHNSON: Move approval.

16 MR. HOUGHTON: Second.

17 MR. WILLIAMSON: I have a motion and a second.

18 All those in favor of the motion will signify by saying
19 aye.

20 (A chorus of ayes.)

21 MR. WILLIAMSON: All opposed, no.

22 (No response.)

23 MR. WILLIAMSON: Motion carries. Thank you.

24 MR. BEHRENS: We have agenda item 7(a)(2).

25 This is proposed rules for adoption under Right of Way
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1 which would concern utility accommodations for rail
2 facilities. John?

3 MR. CAMPBELL: Good afternoon. For the record,
4 my name is John Campbell, director of the Right of Way
5 Division.

6 MR. WILLIAMSON: Condemnation Campbell, right
7 there.

8 MR. CAMPBELL: Is that a good thing?

9 I'd like to present for your consideration this
10 minute order which proposes adoption of new rules
11 regarding utility accommodation for rail facilities. The
12 proposed new sections 21.901 through 21.911 of Chapter 43
13 of the Texas Administrative Code relate to the criteria
14 for safe location of utility facilities proposed to be
15 located in, along or across state railroad rights of way.

16 Legislative additions to Chapter 91 of the
17 Texas Transportation Code increased the department's
18 authority to own and operate rail facilities and
19 transferred various responsibilities and duties of the
20 Railroad Commission of Texas to the department.

21 These new rules are similar to the department's
22 existing rules concerning utility accommodation on state
23 highway rights of way. This guidance is necessary to
24 ensure the safe installation and coexistence of utility
25 facilities on railroad rights of way.

1 The deadline for the receipt of public comments
2 has been established as January 30, 2006, and staff
3 recommends your approval.

4 MR. WILLIAMSON: Members, you've heard the
5 staff's explanation and recommendation.

6 MR. JOHNSON: So moved.

7 MR. HOUGHTON: Second.

8 MR. WILLIAMSON: I have a motion and a second.

9 All those in favor of the motion will signify by saying
10 aye.

11 (A chorus of ayes.)

12 MR. WILLIAMSON: All opposed, no.

13 (No response.)

14 MR. WILLIAMSON: Motion carries. Thank you,
15 John.

16 MR. CAMPBELL: Thank you.

17 MR. BEHRENS: Now we'll go to our rules for
18 final adoption, agenda item number 7(b)(1), this is rules
19 concerning our State Infrastructure Bank. James?

20 MR. BASS: Good afternoon. I'm James Bass,
21 director of Finance at TxDOT.

22 This minute order would make revisions to the
23 State Infrastructure Bank rules to clarify that accounts
24 and loans may be funded with state dollars only as well as
25 a mix of both state and federal funds. The proposed

1 amendments are in response to statutory amendments enacted
2 during the last legislative session.

3 These proposed rules were published in the
4 Texas Register and no comments were received, and staff
5 would recommend your approval.

6 MR. WILLIAMSON: Members, you've heard the
7 staff's recommendation and explanation.

8 MR. HOUGHTON: So moved.

9 MR. JOHNSON: Second.

10 MR. WILLIAMSON: I have a motion and a second.

11 All those in favor of the motion will signify by saying
12 aye.

13 (A chorus of ayes.)

14 MR. WILLIAMSON: All opposed, no.

15 (No response.)

16 MR. WILLIAMSON: Motion carries. Thank you,
17 James.

18 MR. BEHRENS: Agenda item 7(b)(2) is rules for
19 final adoption concerning rail facilities in TxDOT. Jim?

20 MR. RANDALL: Good afternoon, commissioners.
21 Jim Randall, Transportation Planning and Programming
22 Division.

23 Item 7(b)(2). The passage of House Bills 3588
24 and 2702 by the Texas Legislature increased the
25 department's responsibilities concerning rail facilities.

1 Existing rules concerning rail are in Chapter 15,
2 Subchapters L and M, Sections 15.140 through 15.155 of
3 Title 43 of the Texas Administrative Code.

4 Due to the department's increasing
5 responsibilities in rail and the need to enact a
6 significant number of administrative rules, the department
7 is creating a new chapter, Chapter 7 in Title 43 of the
8 Administrative Code entitled Rail Facilities. Therefore,
9 the existing rules concerning rail in Chapter 15,
10 Transportation Planning and Programming, need to be
11 repealed and moved to the new chapter, Chapter 7, Rail
12 Facilities.

13 The minute order before you adopts new Sections
14 7.1, 7.10, 7.12, 7.13, 7.20, 7.21, and 7.22 and repeals
15 Section 15.140 through 15.155, all relating to rails and
16 rail facilities. Minute order 110221, dated September 29,
17 2005 proposed the new sections and repeals. No comments
18 were received on the proposed rules. Staff recommends
19 approval of this minute order.

20 MR. WILLIAMSON: Members, you've heard the
21 staff's explanation and the staff's recommendation.

22 MR. HOUGHTON: So moved.

23 MR. JOHNSON: Second.

24 MR. WILLIAMSON: I have a motion and a second.

25 All those in favor of the motion will signify by saying

1 aye.

2 (A chorus of ayes.)

3 MR. WILLIAMSON: All opposed, no.

4 (No response.)

5 MR. WILLIAMSON: Motion carries. Thank you,
6 Jim.

7 MR. BEHRENS: The next rule for final adoption
8 is also under Transportation Planning and Programming,
9 agenda item 7(b)(3)(a) concerning Construction Cost
10 Participation for Economically Disadvantaged Counties.

11 MR. RANDALL: This minute order adopts
12 amendments to Section 15.55, Construction Cost
13 Participation for Economically Disadvantaged Counties to
14 be codified under Title 43, Texas Administrative Code,
15 Part 1.

16 With the passage of House Bill 1107 by the
17 Texas Legislature, Transportation Code Section 222.053 was
18 amended in order to expedite the processing of
19 Economically Disadvantaged County Program applications.

20 To implement these provisions, Texas
21 Administrative Code, Section 15.55 was amended to: one,
22 require the executive director or designee to adjust
23 minimum local matching fund requirements for local
24 governments in economically disadvantaged counties; two,
25 require the commission to annually certify a county as an

1 economically disadvantaged county as soon as possible
2 after the comptroller reports on the economic indicators
3 specified by law and rule; and three, require the
4 executive director or designee determine whether to make
5 an adjustment at the time the local government submits a
6 proposal for a highway improvement project.

7 Minute Order 110222, dated September 29, 2005,
8 proposed the amendments and no comments were received on
9 the proposed rules. Staff recommends approval of this
10 minute order.

11 MR. WILLIAMSON: Members, you've heard the
12 staff recommendation of the staff.

13 MR. HOUGHTON: So moved.

14 MR. JOHNSON: Second.

15 MR. WILLIAMSON: I have a motion and a second.
16 All those in favor of the motion will signify by saying
17 aye.

18 (A chorus of ayes.)

19 MR. WILLIAMSON: All opposed, no.

20 (No response.)

21 MR. WILLIAMSON: Motion carries.

22 MR. BEHRENS: Agenda item 7(b)(3)(b) is final
23 rules for considering aesthetic characteristics for a
24 transportation project. Mark?

25 MR. MAREK: For the record, my name is Mark

1 Marek. I'm the director of the Design Division for the
2 Texas Department of Transportation.

3 This minute order proposes final adoption of
4 amendments to Section 15.122 to implement additions to the
5 design factors considered by the department during
6 transportation project development.

7 As required by Transportation Code 201.615, the
8 department considers various design factors when
9 developing transportation projects that involve the
10 construction, reconstruction, rehabilitation or
11 resurfacing of a highway other than a maintenance
12 resurfacing project.

13 This section of the code describes those design
14 factors that will be considered during the development of
15 transportation projects over which the department has
16 design and construction or funding responsibilities.

17 House Bill 2702 of the 79th Legislative
18 Session, Regular Session 2005, amended Transportation Code
19 201.615 to require the department to consider the
20 aesthetic character of a project and to include input from
21 each affected local community. While TxDOT normally
22 considers these factors as part of the public involvement
23 phase of project development, the amendments to 15.122
24 codify these considerations except as provided in House
25 Bill 2702 for transportation projects that involve the

1 rehabilitation or resurfacing of a bridge or highway.

2 No comments were received on these proposed
3 rules. Staff recommends approval of this minute order.

4 MR. WILLIAMSON: Mark, is this the one that
5 permits us to take imprints of members of the legislature
6 and put them on the walls of the bridges and the asphalt
7 where we can forever memorialize the public servants?

8 MR. MAREK: You may have knowledge there, Mr.
9 Chairman, that I do not.

10 (General laughter.)

11 MR. WILLIAMSON: Members, you've heard the
12 staff recommendation and explanation.

13 MR. JOHNSON: So moved.

14 MR. HOUGHTON: Second.

15 MR. WILLIAMSON: I have a motion and a second.

16 All those in favor of the motion will signify by saying
17 aye.

18 (A chorus of ayes.)

19 MR. WILLIAMSON: All opposed, no.

20 (No response.)

21 MR. WILLIAMSON: Motion carries. Thank you,
22 Mark.

23 MR. BEHRENS: Agenda item 7(b)(4), rules for
24 final adoption in Right of Way concerning Land Acquisition
25 Procedures. John?

1 MR. CAMPBELL: Again for the record, I'm John
2 Campbell, director of the Right of Way Division.

3 I'd like to present for your consideration a
4 minute order under item 7(b)(4) which provides for the
5 final adoption of an amendment to 43 TAC, Section 21.16
6 relating to the use of options to purchase in the
7 acquisition of real property.

8 This amendment reduces the maximum length of a
9 primary option period and the subsequent extension periods
10 from seven to five years. The amendment is made necessary
11 in accordance with the requirements of House Bill 2702 of
12 the 79th Legislature Regular Session of 2005.

13 The minute order was presented for proposed
14 adoption at the September 29, 2005 commission meeting, no
15 comments have been received. Staff recommends your
16 approval.

17 MR. WILLIAMSON: Members, you've heard the
18 staff recommendation and explanation.

19 MR. JOHNSON: So moved.

20 MR. HOUGHTON: Second.

21 MR. WILLIAMSON: I have a motion and a second.
22 All those in favor of the motion will signify by saying
23 aye.

24 (A chorus of ayes.)

25 MR. WILLIAMSON: All opposed, no.

1 (No response.)

2 MR. WILLIAMSON: Motion carries. Thank you,
3 John.

4 MR. BEHRENS: We have agenda item 7(b)(5),
5 7(b)(6) and 7(b)(7), the first two concern regional
6 mobility authorities and the last one concerns toll
7 projects. Phil?

8 MR. RUSSELL: Thanks, Mike, and again for the
9 record, I'm Phil Russell, director of the Turnpike
10 Division.

11 All three of these minute orders, I'll talk
12 generically about them, we had a public hearing for all
13 three. We received no comments, either during the comment
14 period or during the public hearing.

15 The first one, as Mr. Behrens indicated, are
16 changes to Chapter 26 related to regional mobility
17 authorities. Again, a couple of the high points to jog
18 your memory. One element adds the cities of Laredo,
19 Brownsville, McAllen and Port Aransas to those lists of
20 cities that can form regional mobility authorities. This
21 would also, under Chapter 26, provide some clarification
22 as far as design and construction standards and it would
23 also reinforce that the RMA board of directors are subject
24 to Chapter 171 of the Local Government Code relating to
25 conflict of interest.

1 Staff would recommend approval, and I'd be
2 happy to address any questions you might have.

3 MR. WILLIAMSON: And you're recommending
4 approval on the first of the three. Correct?

5 MR. RUSSELL: Yes, sir.

6 MR. WILLIAMSON: Members, you've heard the
7 staff recommendation and explanation on the first item.

8 MR. JOHNSON: So moved.

9 MR. HOUGHTON: Second.

10 MR. WILLIAMSON: I have a motion and a second.
11 All those in favor of the motion will signify by saying
12 aye.

13 (A chorus of ayes.)

14 MR. WILLIAMSON: All opposed, no.

15 (No response.)

16 MR. WILLIAMSON: Motion carries. Thank you.

17 MR. RUSSELL: Thank you, Chairman.

18 The next minute order relates to Chapter 26 and
19 27, essentially dealing with conversion conveyance. If
20 you remember, previously the notion of conversion and
21 conveyance was fairly complex, it related to five
22 different statutory provisions. House Bill 2702
23 consolidated those four statutes into a single statute,
24 one dealing with conversion, one dealing with conveyance.

25 This minute order would revise Chapter 26 and 27 to

1 reflect this consolidation of statutes. The legal effect
2 is essentially identical to what it was previously.

3 These rules also provide some abilities for us
4 to convey a ferry to those toll authorities, and it also
5 provides a bit more clarity on the public involvement
6 process that everyone would use for conversion or
7 conveyance of projects.

8 And again, staff would recommend approval of
9 this minute order, and once again, I'll be happy to
10 address any questions you might have.

11 MR. WILLIAMSON: Actually, what we're really
12 doing here is making it easier for all those people who
13 are banging down our door to convert tax roads to toll
14 roads to find the right statute. Correct?

15 MR. RUSSELL: It would be much easier for those
16 folks, yes, sir, Chairman. One-stop shopping.

17 MR. WILLIAMSON: One-stop shopping.

18 You heard the staff explanation and
19 recommendation.

20 MR. JOHNSON: So moved.

21 MR. HOUGHTON: Second.

22 MR. WILLIAMSON: I have a motion and a second.

23 All those in favor of the motion will signify by saying
24 aye.

25 (A chorus of ayes.)

1 MR. WILLIAMSON: All opposed, no.

2 (No response.)

3 MR. WILLIAMSON: Motion carries.

4 MR. RUSSELL: Thanks, Chairman. And my final
5 minute order today relates to Chapter 27, the process
6 dealing with comprehensive development agreements.

7 Again, just to highlight a couple of the rules
8 that were reflected back in House Bill 2702, this minute
9 order would further define and formalize the role of the
10 commission in our CDA process, it would adjust and provide
11 flexibility to the proposal review fee. If you recall,
12 currently we have a \$20,000 application fee, it would
13 lower it to \$7- and \$10,000, depending on the type of
14 project, and it would also provide some flexibility for
15 Mr. Behrens to lower that fee if the conditions warranted.

16 It addresses the ethics policy, both for
17 developers who are proposing to us, as well as our own
18 TxDOT employees. It formalizes the protest procedures and
19 some other technical clarifications.

20 Staff would recommend approval of this minute
21 order as well.

22 MR. WILLIAMSON: Members, you've heard the
23 staff explanation and recommendation.

24 MR. JOHNSON: So moved.

25 MS. ANDRADE: Second.

1 MR. WILLIAMSON: I have a motion and a second.
2 All those in favor of the motion will signify by saying
3 aye.

4 (A chorus of ayes.)

5 MR. WILLIAMSON: All opposed, no.

6 (No response.)

7 MR. WILLIAMSON: Motion carries. Thank you,
8 Phil.

9 MR. BEHRENS: Agenda item 7(c), another rule
10 for final adoption, and this is concerning our rail safety
11 rules. Jim?

12 MR. RANDALL: Jim Randall, Transportation
13 Planning and Programming Division.

14 Item 7(c). House Bill 2702, 79th Texas
15 Legislature transferred to the department all powers and
16 duties of the Railroad Commission that relate primarily to
17 railroads and the regulation of railroads.

18 Under the new law, the department is authorized
19 to perform any act and issue any rule and orders as
20 permitted by the Federal Railroad Safety Act of 1970. In
21 order to implement the legislature's transfer of
22 authority, the department must repeal the rules of the
23 Railroad Commission and adopt its own rules concerning
24 rail safety.

25 This minute order adopts the repeal of Title
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1 16, Chapter 5, Rail Safety Rules and adopts Title 43,
2 Chapter 7, New Subchapter 2 concerning Rail Safety. The
3 rule-making implements the transfer of jurisdiction over
4 railroad safety matters from the Railroad Commission to
5 the department.

6 Minute Order 110228, dated September 29, 2005,
7 proposed the repeals and new sections. A public hearing
8 was held on October 21, 2005, one commenter representing a
9 Class 1 railroad stated their support of the rules. Staff
10 recommends approval of this minute order.

11 MR. WILLIAMSON: Members, you've heard the
12 staff's explanation and recommendation.

13 MR. HOUGHTON: So moved.

14 MR. JOHNSON: Second.

15 MR. WILLIAMSON: I have a motion and a second.

16 All those in favor of the motion will signify by saying
17 aye.

18 (A chorus of ayes.)

19 MR. WILLIAMSON: All opposed, no.

20 (No response.)

21 MR. WILLIAMSON: Motion carries. Thank you.

22 MR. BEHRENS: Agenda item 8 concerns
23 Transportation Planning. We have three minute orders
24 under that topic, and Jim, if you'll go ahead and lay out
25 those three minute orders.

1 MR. RANDALL: Okay, sir.

2 Item 8(a). Minute Order 110109, dated June 30,
3 2005, approved the 2006 Statewide Preservation Program.
4 In August, SAFETEA-LU was signed into law to fund the
5 Federal Aid Highway Program Surface Transportation
6 Research Highway Safety and Transit Programs. SAFETEA-LU
7 established three new federal safety programs: the
8 Highway Safety Improvement Program, the High Risk Rural
9 Roads Program, and the Safe Routes to School Program. The
10 former Federal Railroad Signal Safety Program was renamed
11 the Railway Highway Crossing Program.

12 In order to implement these new safety programs
13 and the increased funding levels provided by SAFETEA-LU,
14 staff recommends an amendment to Category 8, Safety, of
15 the 2006 Statewide Preservation Program. Exhibit A
16 outlines the overall Category 8 Safety Program and the
17 supplemental funding amounts for a total of \$295 million.

18 These programs will be managed as statewide
19 allocation programs. Projects will be ranked, prioritized
20 and selected by the Traffic Operations Division.

21 Staff recommends approval of this minute order.

22 MR. WILLIAMSON: Members, you've heard the
23 staff's explanation and recommendation.

24 MR. HOUGHTON: So moved.

25 MR. JOHNSON: Second.

1 MR. WILLIAMSON: I have a motion and a second.
2 All those in favor of the motion will signify by saying
3 aye.

4 (A chorus of ayes.)

5 MR. WILLIAMSON: All opposed, no.

6 (No response.)

7 MR. WILLIAMSON: Motion carries. Thank you.

8 MR. RANDALL: Okay, sir. Item 8(b). Pursuant
9 to Transportation Code, Chapter 91, the commission
10 authorized by Minute Order 109588, dated February 26,
11 2004, the acquisition of the 33-1/2 mile Bonham
12 Subdivision Rail Line which runs between Paris and Bonham.
13 The department acquired the rail line from Union Pacific
14 Railroad on September 21, 2005.

15 The Fannin County Rural Rail Transportation
16 District has expressed a desire to lease the rail line
17 from the department to operate a rail facility. The rail
18 district has proposed to maintain general management
19 responsibilities for the rail line and sublease its
20 operations.

21 Following a discussion item on the November 17,
22 2005 commission meeting agenda, the commission gave staff
23 direction on the lease terms. Staff has met with the rail
24 district regarding the specific issues discussed at the
25 commission meeting. We're confident that an agreement can

1 be reached on those terms.

2 With your approval of this minute order, the
3 executive director would be authorized to negotiate and
4 enter into any necessary lease agreements with the rail
5 district.

6 Staff recommends approval of this minute order.

7 MR. WILLIAMSON: Stand by.

8 MR. RANDALL: Okay, sir.

9 MR. HOUGHTON: Is this different, any twists in
10 this negotiated agreement than we previously had seen?

11 MR. RANDALL: No, sir. The commission had
12 asked us to put a provision in to retain the passenger
13 rail rights which were included, a buyout clause which
14 we're going to put in there, and also the amount of the
15 lease is we've reached with a \$500 annual to begin with
16 and then a surcharge on any carloads above 1,400.

17 MR. HOUGHTON: So that's what we discussed.

18 MR. RANDALL: Yes, sir.

19 MR. WILLIAMSON: Members, you've now heard the
20 staff's explanation and recommendation. Is there anything
21 else to be discussed?

22 MR. JOHNSON: So moved.

23 MR. HOUGHTON: Second.

24 MR. WILLIAMSON: I have a motion and a second.

25 All those in favor of the motion will signify by saying

1 aye.

2 (A chorus of ayes.)

3 MR. WILLIAMSON: All opposed, no.

4 (No response.)

5 MR. WILLIAMSON: Motion carries. Thank you.

6 MR. RANDALL: Okay, sir. Item 8(c). Minute
7 Order 110266, dated October 27, 2005, approved the 2006
8 Statewide Mobility Program. This minute order amends
9 Category 12 Strategic Priority of the 2006 SMP to
10 authorize additional project selections for the amounts
11 shown in the attached Exhibit A.

12 Strategic Priority projects generally promote
13 economic development, provide system continuity, increase
14 efficiency on military deployment routes, or address other
15 strategic needs.

16 The two projects we are bringing for your
17 consideration are located in the Odessa District. The
18 first project is the Phase 1 construction of the State
19 Highway 349 reliever route from County Road 60 to the
20 Martin County line. Phase 1 work is the construction of a
21 two-lane, undivided facility. When completed, it is
22 anticipated that this route will serve as a truck bypass
23 around Midland.

24 The second project is the construction of an
25 interchange on Business Interstate 20E at the John Ben

1 Shepperd Parkway. This project will complete the
2 connection of the JBS Parkway to Interstate 20 to the
3 south.

4 We recommend your approval of this minute order
5 for the amounts shown in Exhibit A of the minute order.

6 MR. WILLIAMSON: Jim, is it the case that the
7 United States Government's competitive proposal for the
8 future gen coal-burning CO-2 recycling \$500 million
9 investment test project will probably receive an
10 application from this part of the state? I think that's
11 the case, is it not?

12 MR. RANDALL: I'm not aware of that, but I've
13 got Mr. Garduno from Midland-Odessa.

14 MR. WILLIAMSON: Is that the case, Lauren?

15 MR. GARDUNO: Yes, it is.

16 MR. WILLIAMSON: There will be a future
17 application from this part of the state, about a half
18 billion dollar investment. I think this probably supports
19 that.

20 Members, you've heard the explanation and
21 recommendation.

22 MR. JOHNSON: I would not think of asking this
23 item be deferred, noticing we have very distinguished
24 visitors from Midland and Ector counties here.

25 Lauren, one question. When the commission met

1 out there, if my recollection is correct, there was some
2 conversation with some of the neighbors along John Ben
3 Shepperd Drive about this improvement. Have they been for
4 the most part satisfied with what's going on?

5 MR. GARDUNO: Yes, sir. For the record, good
6 afternoon, commissioners. My name is Lauren Garduno and
7 I'm the district engineer of the Odessa District.

8 We have been able to, I think, address the
9 concerns that the citizens had along the John Ben Shepperd
10 Parkway area. We will be addressing it with some actually
11 hardscape and some softscape features along on that
12 design, tree-planting, some planters there that will be
13 able to abate some of the sound issues that they had, some
14 of the concerns they had, and actually some access issues
15 too. So yes, sir, that issue has been addressed.

16 MR. WILLIAMSON: Lauren, have you lost weight?

17 MR. GARDUNO: At times. I lose, I gain, I
18 lose, I gain.

19 (General laughter.)

20 MR. WILLIAMSON: You look like you've lost some
21 weight.

22 MR. GARDUNO: Well, I'd like to lose some more,
23 to be honest with you.

24 MR. JOHNSON: I'm delighted to make a motion to
25 approve this item.

1 MR. HOUGHTON: Second.

2 MR. WILLIAMSON: I have a motion and a second.

3 All those in favor of the motion will signify by saying
4 aye.

5 (A chorus of ayes.)

6 MR. WILLIAMSON: All opposed, no.

7 (No response.)

8 MR. WILLIAMSON: Motion carries. Thank you,
9 members.

10 And I think, Mr. Raines, did you have something
11 to say, sir?

12 MR. RAINES: For the record, Steve Raines of
13 Speaker Tom Craddick's office at the Capitol.

14 He just wanted me to come by and say thank you
15 for approving the minute order and helping us out with
16 this project that's so important

17 MR. WILLIAMSON: We're very excited about the
18 possibilities for the Midland-Odessa area and attracting
19 that huge generating project, and we're standing by to
20 help all we need to make that happen.

21 MR. RAINES: Thank you very much.

22 MR. WILLIAMSON: And any other application from
23 the state. The governor's charge is if it's an economic
24 opportunity, let's invest in it, and that's certainly an
25 economic opportunity, so you let us know. We're all

1 unanimous in that.

2 MR. RAINES: Appreciate that very much.

3 MR. WILLIAMSON: Thank you for coming by.

4 MR. RAINES: By the way, I think that's \$800
5 million. I do that stuff too.

6 MR. WILLIAMSON: We really want that to come to
7 Texas.

8 MR. RAINES: Thanks very much.

9 MR. WILLIAMSON: Thank you.

10 MR. BEHRENS: Agenda item number 9 is a pass-
11 through toll project in Grayson County. James?

12 MR. BASS: Good afternoon. This item will
13 authorize the department to enter into a pass-through toll
14 agreement with Grayson County. Under the agreement, the
15 county would initially finance the 12-mile extension of
16 State Highway 289. The department would then reimburse the
17 county over time based upon actual traffic on the improved
18 roads at a rate of 15 cents per vehicle mile, with a
19 minimum of just under \$5.3 million paid per year and a
20 maximum of just over \$7 million paid per year until such
21 time as a total of just over \$84-1/2 million will have
22 been reimbursed to the county.

23 Staff would recommend your approval.

24 MR. WILLIAMSON: Well, we have three witnesses,
25 members, and I'd like to say that these are new friends,

1 but they're not, they're old friends, they've been with us
2 a long time.

3 MR. HOUGHTON: I'd just like to ask James a
4 question, or Amadeo. Where's Amadeo?

5 MR. WILLIAMSON: Don't let James off the hook.

6 MR. HOUGHTON: Well, either one. They can
7 tag-team this one.

8 MR. WILLIAMSON: Fast Jimmy Bass has been out
9 of the limelight too long.

10 MR. HOUGHTON: What's the total cost of this
11 project, including rights of way, engineering, all of the
12 whistles, bells, lights and sirens on it?

13 MR. SAENZ: It's about \$101 million. For the
14 record, Amadeo Saenz, assistant executive director of
15 Engineering.

16 The county is providing the right of way,
17 utility adjustments and mitigation, and their estimates we
18 looked at were somewhere between \$14- to \$17 million --
19 \$14- to \$15 million.

20 MR. JOHNSON: That's between \$14- and \$17-.

21 MR. SAENZ: That's between \$14- and \$17-.

22 (General laughter.)

23 MR. WILLIAMSON: I think that we're going to
24 start with -- who wants to finish, tell me that? Jerdy,
25 do you want to finish? Gene? It doesn't matter? Well

1 then, Gene, why don't you come first. It's good to see
2 you again.

3 MR. SHORT: Thank you, Mr. Chairman and
4 commissioners. We appreciate the opportunity to be here
5 before you today.

6 You know, Grayson County has worked on this
7 road project for over ten years. This is the first
8 opportunity we've had to bring this project to reality.

9 We've heard your call for local governments to
10 step up to the plate and take charge of our own
11 transportation destiny by supporting our recommended
12 projects financially. We've heard that over and over.

13 The extension of State Highway 289 is included
14 in the Sherman-Dennison MPO as a future toll facility and
15 will become Grayson County's first conventional toll road.

16 This project has become a reality because of the teamwork
17 and cooperation between the Grayson County Commissioners
18 Court, Grayson County RMA, the MPO, and unanimous support
19 from all governmental entities and chambers of commerce in
20 Grayson County.

21 And I want to thank a few people this evening.

22 I want to thank Bobby Littlefield, our TxDOT district
23 engineer, Kevin Harris --

24 MR. JOHNSON: Do you really mean this evening?

25 MR. SHORT: Pardon me?

1 MR. JOHNSON: Do you really mean this evening?

2 MR. SHORT: Yes, sir.

3 (General laughter.)

4 MR. SHORT: I want to thank Kevin Harris, our
5 area engineer. We have a good working relationship with
6 those guys and we enjoy having them up there very much.
7 Especially Larry Phillips, our state rep; Jerdy Gary of
8 the Grayson County RMA; Amadeo Saenz with TxDOT; and Jenny
9 Taraborelli with Pate Engineers; and especially the Texas
10 Transportation Commission for helping us with this
11 project.

12 I thank you for considering this project today.

13 Thank you.

14 MR. WILLIAMSON: Has anybody got anything to
15 say to Gene? We're proud to be associated with you.
16 You're a good county commissioner.

17 MR. SHORT: Thank you, sir.

18 MR. WILLIAMSON: Tim or Jerdy? Come ahead.

19 JUDGE MCGRAW: For the record, I'm Tim McGraw,
20 county judge in Grayson County. And thank you, Mr.
21 Chairman and commissioners for hearing our request today.
22 This has been a long haul for me, not as long as it has
23 been for Gene for over ten years. I've only been in
24 office for three, but it's been an educational three
25 years, I'll guarantee you.

1 And if approved today, this will be a historic
2 event for Grayson County, and I thank you for even hearing
3 us.

4 Grayson County set as a goal to develop Highway
5 289 as our number one economic development project. We
6 understand that improving our transportation network is
7 key to attracting and keeping jobs in the region. This is
8 critical to the future of our county.

9 As a county, we are united. The project has
10 the support of every group: the commissioners court, the
11 RMA, the MPO, the small cities, the chambers of commerce,
12 and anybody we could get to put together a proclamation,
13 we did it. And I mean that, everyone in Grayson County
14 sees this as our number one project to get economic
15 development in our region. Your action today will allow
16 us to move forward and to accomplish the goal that the
17 citizens of our county have put out.

18 To develop the project, we sought the help of
19 the private sector and have partnered with Pate Engineers.

20 This creates the type of public-private partnership I
21 think you have encouraged. The private sector will
22 guarantee the completion of the project and provide the
23 funds to construct the project. The state will guarantee
24 to repay those funds through pass-through financing.

25 Finally, Grayson County will promote economic development

1 along the corridor to ensure that those funds can be
2 repaid as quickly as possible.

3 I want to thank the legislature, particularly
4 Larry Phillips, for giving us the tools to meet our needs
5 in our community. I want to thank TxDOT, the commission
6 for their help, and even though he's no longer serving on
7 the commission, I want to express my gratitude to Robert
8 Nichols for all his support.

9 MR. WILLIAMSON: We keep a spot for him here in
10 spirit.

11 JUDGE McGRAW: I'm sure he appreciates that.

12 And finally, I want to thank Mr. Behrens, Mr.
13 Saenz, Bobby Littlefield, our district engineer, and Kevin
14 Harris, our area engineer, for all the support and
15 guidance that they have given us through the years as we
16 have pushed this project through.

17 This truly, if you approve it, will be a
18 Christmas present to Grayson County, and I hope you do
19 approve it, and thank you in advance.

20 I want to wish each one of you and yours a
21 Merry Christmas. If there's any questions I can answer
22 for you, I'll try to do them at this time.

23 MR. WILLIAMSON: Members, questions of Tim?

24 MR. JOHNSON: Judge, what is the annual budget,
25 your county budget?

1 JUDGE MCGRAW: About \$54 million.

2 MR. JOHNSON: Fifty-four? I just want to
3 salute you for, one, the courage, and secondly, the
4 tenacity on this. When you think about it, as Amadeo
5 said, this is a \$100 million-plus project which is
6 basically twice your annual operating budget, I think that
7 speaks volumes for what you are committing to, and I
8 salute you.

9 JUDGE MCGRAW: Thank you, sir, and I salute you
10 for having the foresight to put these challenges in front
11 of us.

12 MR. HOUGHTON: You met the challenge.
13 Congratulations.

14 JUDGE MCGRAW: Thank you, sir.

15 MR. WILLIAMSON: Well, let me just say the same
16 thing, Tim. I appreciate the friendship and the courage
17 and leadership, along with Gene, that your court showed.

18 JUDGE MCGRAW: You are always welcome in
19 Grayson County. Come see us.

20 MR. WILLIAMSON: We're proud of our
21 relationship with you. Jerdy?

22 MR. GARY: Good afternoon, Mr. Chairman,
23 commissioners. It's a pleasure to be back with you. And
24 today, this is really a great beginning because building
25 this phase of the road for the future improvements of

1 Grayson County's transportation system, and as
2 Commissioner Short said, this road will become the future
3 Grayson County toll road.

4 As RMA chair, I believe this action today is
5 going to allow the RMA to immediately start planning for
6 the next phase of improving mobility in Grayson County,
7 and I believe probably the first project we'll be
8 considering will be the sector connecting, or as mentioned
9 earlier, integrating with NTTA's 289 expansion at the
10 Grayson County line. And this project is about a 15-mile
11 segment which will be the foundation for conventional
12 tolling to US 82.

13 Ultimately we will then start planning and
14 building a segment to connect on to US 75 somewhere in the
15 vicinity of our existing 75 over into Oklahoma, and this
16 will complete the first conventional toll system and
17 provide a regional solution for the migration that's
18 heading our way.

19 So with that, I just wanted to kind of put a
20 little future spin on what the judge and commissioner
21 said, and I've been around quite a while too, back with
22 Commissioner Short as mayor of Dennison, and we've been
23 talking about this for a long time, and it's just a great
24 day and we're just so grateful for your consideration.

25 MR. WILLIAMSON: Isn't it nice to be able to
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1 get out ahead of the curve?

2 MR. GARY: It really is. We appreciate it so
3 much. Any questions?

4 MR. WILLIAMSON: Anybody got questions? This
5 is the governor's appointee and the chair of the Grayson
6 County RMA.

7 MR. HOUGHTON: Congratulations. Look forward
8 to working with you.

9 MR. GARY: Thank you, sir.

10 MS. ANDRADE: Thank you.

11 MR. WILLIAMSON: We thank you. Who is going to
12 close?

13 MR. BASS: Staff would recommend your approval.

14 MR. WILLIAMSON: Members, you've heard staff's
15 explanation and recommendation and testimony from the
16 witnesses.

17 MR. HOUGHTON: So moved.

18 MR. JOHNSON: Second.

19 MR. WILLIAMSON: I have a motion and a second.

20 All those in favor of the motion will signify by saying
21 aye.

22 (A chorus of ayes.)

23 MR. WILLIAMSON: All opposed, no.

24 (No response.)

25 MR. WILLIAMSON: Motion carries.

1 Congratulations, Grayson County. We're very happy for
2 you, happy for the state.

3 MR. BEHRENS: Agenda item number 10, under
4 Finance we have two minute orders. They both concern
5 financial statements, one for the Mobility Fund and one
6 for the Central Texas Turnpike System. James?

7 MR. BASS: As a part of the master resolution
8 for the Texas Mobility Fund bonds, the commission agreed
9 to present audited annual financial statements to the bond
10 market. This agenda item asks that you accept the audited
11 financial statements for the period from inception to
12 August 31, 2005, so that we may distribute them to the
13 market.

14 I would point out that the audit was performed
15 by staff of the State Auditor's Office, and we do have a
16 member of the staff with us today if you have any
17 questions for them, or I would be happy to attempt to
18 answer any questions you might have.

19 MR. HOUGHTON: How much money do we have in the
20 fund right now?

21 MR. BASS: In the Mobility Fund? The current
22 balance in there is, I believe, just over \$800 million,
23 and that's made up of both the taxes and fees that are
24 deposited to the fund to pay debt service over time, as
25 well as the remaining bond proceeds from the issuance we

1 had back in June.

2 MR. JOHNSON: Two questions, James. What was
3 the date of inception?

4 MR. BASS: Inception, I believe, was March of
5 2004 was the first date that a fee was deposited into the
6 account. There was no debt outstanding at that point in
7 time.

8 MR. JOHNSON: This is as of April '05?

9 MR. BASS: This is through the end of August
10 31, '05.

11 MR. JOHNSON: Through the fiscal year '05 which
12 is 17 or 18 months.

13 MR. BASS: Yes, sir.

14 MR. JOHNSON: And there was \$118 million or so,
15 less \$6 million worth of interest, \$118 million worth of
16 contributions.

17 MR. BASS: Yes.

18 MR. JOHNSON: Now, in fiscal year '06 and
19 fiscal year '07, what are the anticipated revenues,
20 contributions to the fund?

21 MR. BASS: The revenue streams into the fund
22 changed beginning September 1, and then it changes yet
23 again by having an additional revenue stream added to it
24 on September 1 of '06, the first day of '07. And so those
25 are scheduled to increase, and I apologize, I can't off

1 the top of my head recall those updated estimates.

2 As you'll recall, before we issue any debt
3 backed by the revenues of the Mobility Fund, it requires
4 that we receive an updated revenue forecast from the
5 Comptroller's Office.

6 MR. HOUGHTON: Certified. Right?

7 MR. BASS: Yes, sir.

8 MR. JOHNSON: Well, would you chase those
9 numbers down, the estimates?

10 MR. BASS: I will be happy to do so.

11 MR. JOHNSON: Thank you.

12 MR. BASS: If my Dewberry was turned on, I
13 might have them now, but it's turned off

14 MR. WILLIAMSON: No Dewberries.

15 MR. JOHNSON: I'm shocked that there's a number
16 in the wide world of finance of this agency that you
17 cannot recall.

18 MR. BASS: Well, I apologize.

19 MR. WILLIAMSON: He must have been up with the
20 baby last night. Any other questions of Fast Jimmy Bass?

21 (No response.)

22 MR. WILLIAMSON: Members, you've heard the
23 staff's explanation and recommendation.

24 MR. HOUGHTON: So moved.

25 MS. ANDRADE: Second.

1 MR. WILLIAMSON: I have a motion and a second.

2 All those in favor of the motion will signify by saying
3 aye.

4 (A chorus of ayes.)

5 MR. WILLIAMSON: All opposed, no.

6 (No response.)

7 MR. WILLIAMSON: Motion carries. Thank you,
8 James.

9 MR. BASS: The second item, agenda item 10(b),
10 as a part of the indenture for the Central Texas Turnpike
11 System, the commission agreed to present audited annual
12 financial statements to the bond market.

13 This agenda item asks that you accept the
14 audited fiscal year 2005 financial statements for the
15 system so that we may distribute those to the market as
16 well.

17 MR. HOUGHTON: So moved.

18 MS. ANDRADE: Second.

19 MR. WILLIAMSON: I have a motion and a second.

20 All those in favor of the motion will signify by saying
21 aye.

22 (A chorus of ayes.)

23 MR. WILLIAMSON: All opposed, no.

24 (No response.)

25 MR. WILLIAMSON: Motion carries. Thank you.

1 MR. JOHNSON: One last question of James. Your
2 gut feeling, what has been the impact of the change in the
3 collection point for the gasoline tax now that we have a
4 little seasoning?

5 MR. BASS: The best educated analysis is to the
6 state about an additional 2 percent which would equate to
7 about \$64- or \$65 million. In addition to that, as we
8 capture more gallons, there's a secondary benefit that
9 occurs a couple of years later through the federal
10 allocation which would equate to around another \$50
11 million. So we believe it's in the neighborhood annually
12 of \$110- to \$115 million from the change of point of
13 collection.

14 MR. WILLIAMSON: And you threw in an extra word
15 there, annually, not totally, annually.

16 MR. BASS: Correct, annually.

17 MR. JOHNSON: Okay, good. Thanks.

18 MR. BEHRENS: Agenda item number 11 under Right
19 of Way, this is a minute order to recommend the
20 authorization to negotiate for options to purchase future
21 right of way for FM 720. John?

22 MR. CAMPBELL: Once more for the record, my
23 name is John Campbell, director of the Right of Way
24 Division.

25 I'd like to present for your consideration the
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1 Minute Order under agenda item number 11 to authorize the
2 use of option contracts for potential future purchase of
3 right of way along a proposed route for the expansion and
4 widening of FM 720 in Denton County. This is the seventh
5 project in TxDOT's pilot program fo the use of options to
6 purchase.

7 This minute order provides the authority for
8 the Dallas District engineer to negotiate the execution of
9 option contracts and to expend funds for option fees and
10 related expenses. Timely execution of option contracts to
11 effectively purchase the development rights during the
12 interim prior to scheduled right of way release provides a
13 strategic opportunity for the department to realize lower
14 acquisition costs, less complicated negotiations, and
15 thereby a more efficient acquisition process.

16 Staff recommends your approval of the minute
17 order.

18 MR. WILLIAMSON: Members, you've heard the
19 staff recommendation and explanation.

20 MR. HOUGHTON: So moved.

21 MR. JOHNSON: Second.

22 MR. WILLIAMSON: I have a motion and a second.

23 All those in favor of the motion will signify by saying
24 aye.

25 (A chorus of ayes.)

1 MR. WILLIAMSON: All opposed, no.

2 (No response.)

3 MR. WILLIAMSON: Motion carries. Thank you.

4 MR. BEHRENS: Agenda item number 12 concerns
5 department property, and this will be a property exchange
6 between the department and the Floresville Independent
7 School District. Zane?

8 MR. WEBB: For the record, I'm Zane Webb,
9 director of the Maintenance Division.

10 The minute order before you today,
11 commissioners, is to approve a property exchange between
12 the Floresville Independent School District and TxDOT.

13 For a brief background, we've got a 50-year-old
14 facility in the middle of Floresville. It's been entirely
15 surrounded by the Floresville Independent School District.

16 A number of years ago, TxDOT knew that we were going to
17 have to eventually move out of that facility so we went
18 out some distance outside of town on State Highway 97,
19 bought a new piece of property, but we didn't have the
20 money to build a new facility on it.

21 In 1994, the Floresville Independent School
22 District came to TxDOT with an offer to exchange our old
23 property for improvements on the new property. We found
24 that to be a good exchange in our opinion. The San
25 Antonio District worked out an agreement with the

1 Floresville Independent School District. This minute
2 order would approve that exchange of properties.

3 Staff recommends approval.

4 MR. WILLIAMSON: Pretty straight ahead deal.

5 MR. HOUGHTON: So moved.

6 MS. ANDRADE: Second.

7 MR. WILLIAMSON: I have a motion and a second.

8 All those in favor of the motion will signify by saying
9 aye.

10 (A chorus of ayes.)

11 MR. WILLIAMSON: All opposed, no.

12 (No response.)

13 MR. WILLIAMSON: Motion carries. Thank you,
14 Zane.

15 MR. WEBB: Thank you, sir.

16 MR. BEHRENS: Agenda item number 13 is our
17 contract approval for the month of December, both our
18 maintenance contracts and our highway and building
19 contracts. Thomas?

20 MR. BOHUSLAV: Good afternoon, Commissioners.
21 My name is Thomas Bohuslav, I'm director of the
22 Construction Division.

23 Item 13(a)(1) is for consideration of award or
24 rejection of highway maintenance contracts let on December
25 1 and 2, 2005, with an engineer's estimated cost of

1 \$300,000 or more. We had 13 projects, an average of 2.5
2 bids per project. We recommend award of all projects.

3 MR. WILLIAMSON: Members, you've heard the
4 staff recommendation and explanation.

5 MR. HOUGHTON: So moved.

6 MS. ANDRADE: Second.

7 MR. WILLIAMSON: I have a motion and a second.
8 All those in favor of the motion will signify by saying
9 aye.

10 (A chorus of ayes.)

11 MR. WILLIAMSON: All opposed, no.

12 (No response.)

13 MR. WILLIAMSON: Motion carries.

14 MR. BOHUSLAV: Item 13(a)(2) is for
15 consideration of award or rejection of highway
16 construction and building contracts let on December 1 and
17 2, 2005. We had 76 projects that we let, an average of
18 almost four bidders per project. We have four projects we
19 recommend for rejection.

20 The first project is Project Number 3227,
21 Angelina County. It was 54 percent over, and we had two
22 bidders; the low bid was about \$289,000. This is for some
23 aesthetic improvements in Lufkin near a railroad
24 underpass. From comments we have on the contract and
25 district thoughts, we'd like to go back and make some

1 design changes to reduce the cost and re-let it.

2 The second project recommended for rejection in
3 Hill County, Project Number 3018. It was 47 percent over,
4 three bidders; the low bid was about \$1.8 million. This
5 is for some guard fence and safety work and end treatment
6 work. We put some stipulation in the plans that
7 restricted work areas for the contract where they had
8 limited work areas, and we looked at the project again and
9 see that we can open up additional work areas and allow
10 them to be more efficient in how they prosecute the work,
11 and we think that will save some money. So we'd like to
12 go back and redesign the project and propose it for a
13 future letting again.

14 The third project recommended for rejection is
15 Project Number 3231 in Potter County. It was 22 percent
16 over, two bidders; the low bid was about \$783,000. This
17 was for a dense concrete overlay on two bridge decks and
18 there are alternative treatments to that dense concrete
19 overlay, and the district is proposing to use another type
20 of treatment to save money and use this other treatment
21 and go back and re-let the project to do that.

22 The last project recommended for rejection is
23 in Presidio County, it's Number 3003. It was 102 percent
24 over and we had one bidder; one bid was about \$11.9
25 million. This is for some widening work on US 67/90 and

1 we want to re-let this and try to solicit more bidders and
2 get better prices for the project.

3 We recommend award of all projects with the
4 exceptions noted. Any questions?

5 MR. WILLIAMSON: I'm kind of curious about the
6 last one you recommend we reject. It was how much over, 2
7 percent over?

8 MR. BOHUSLAV: 102.

9 MR. WILLIAMSON: Oh, 102 percent over.

10 MR. BOHUSLAV: Yes, sir.

11 MR. WILLIAMSON: Never mind, I don't have a
12 question.

13 Members, you've heard the explanation and
14 recommendation.

15 MR. HOUGHTON: So moved.

16 MS. ANDRADE: Second.

17 MR. WILLIAMSON: I have a motion and a second.

18 All those in favor of the motion will signify by saying
19 aye.

20 (A chorus of ayes.)

21 MR. WILLIAMSON: All opposed, no.

22 (No response.)

23 MR. WILLIAMSON: Motion carries. Thank you,
24 sir.

25 MR. BEHRENS: Agenda item number 13 (b)(1) and

1 (b)(2) are contract claims that were heard and these are
2 to approve those settlements. Amadeo?

3 MR. SAENZ: Good afternoon, commissioners, Mr.
4 Behrens. For the record, Amadeo Saenz. I'm assistant
5 executive director for engineering operations, also
6 chairman of the Contract Claims Committee.

7 Item 13(b)(1), the minute order before you
8 approves a claim settlement for a contract by Riata
9 Enterprises on project RMC 608152001 in Frio County of the
10 San Antonio District.

11 The Contract Claims Committee met with the
12 contractor and the district on November 10 to consider the
13 claim and made a recommendation for settlement to the
14 contractor. The contractor has accepted our offer. This
15 committee feels this is fair and reasonable and requests
16 approval of this recommendation.

17 MR. JOHNSON: So moved.

18 MR. HOUGHTON: Second.

19 MR. WILLIAMSON: I have a motion and a second.

20 All those in favor of the motion will signify by saying
21 aye.

22 (A chorus of ayes.)

23 MR. WILLIAMSON: All opposed, no.

24 (No response.)

25 MR. WILLIAMSON: Motion carries.

1 MR. SAENZ: I've got one more. Item 13(b)(2)
2 is also a claim. This minute order before you is a claim
3 settlement for a contract by Dean Word Company for Project
4 NH 97(332) in Williamson County of the Austin District.

5 On November 10 the Contract Claims Committee
6 considered this claim and made a recommendation of
7 settlement to the contractor. The contractor has
8 accepted, the committee considers this to be a fair and
9 reasonable settlement of the claim and recommends your
10 approval.

11 MR. WILLIAMSON: And what was the original
12 request? He wanted us to pay him how much?

13 MR. SAENZ: Let me get to my numbers. His
14 original request was \$2.99 million and we made a
15 settlement offer of \$568,000.

16 MR. WILLIAMSON: You hammered that poor guy for
17 a million and a half -- two and a half, and you expect us
18 to approve of your actions?

19 MR. SAENZ: We think it's fair and equitable.
20 There's always two sides to every story, two sides to
21 every claim.

22 (General laughter.)

23 MR. HOUGHTON: So moved.

24 MR. JOHNSON: Second.

25 MR. WILLIAMSON: I have a motion and a second.

1 All those in favor of the motion will signify by saying
2 aye.

3 (A chorus of ayes.)

4 MR. WILLIAMSON: All opposed, no.

5 (No response.)

6 MR. WILLIAMSON: Motion carries. Thank you.

7 MR. BEHRENS: Now we'll go to agenda item
8 number 14, our routine minute orders. They are all listed
9 there on the agenda for you and in your briefing book.
10 They've all been duly posted, as required. We'd be glad
11 to discuss any of them individually.

12 MR. WILLIAMSON: Was there one in here where we
13 were condemning some land owned by Jay McHart?

14 MR. BEHRENS: I'm not aware of that. I'm also
15 not aware of any of it that affects any of the
16 commissioners, so we would recommend approval of the
17 routine minute orders.

18 MR. WILLIAMSON: Can't we find some of his land
19 to condemn?

20 MR. BEHRENS: Give us time.

21 MR. WILLIAMSON: The highway department always
22 gets theirs.

23 MR. HOUGHTON: So moved.

24 MS. ANDRADE: Second.

25 MR. WILLIAMSON: I have a motion and a second.

1 All those in favor of the motion will signify by saying
2 aye.

3 (A chorus of ayes.)

4 MR. WILLIAMSON: All opposed, no.

5 MR. WILLIAMSON: Motion carries.

6 Members, we have a contingent from Bosque
7 County who wishes to speak in the open comment period
8 about a matter of great importance to them. I need to ask
9 first, your House member is Rob Orr, is that right? Is
10 Rob here?

11 (No response.)

12 MR. WILLIAMSON: I see Richard Skopik, I don't
13 see Rob. Mr. Skopik?

14 MR. SKOPIK: For the record, Richard Skopik,
15 district engineer, Waco District.

16 The representative is not going to make it. He
17 told me to express his wishes that we had sufficiently
18 resolved the issue this morning with the group to the
19 point that it was up to the group to decide if they wanted
20 to still appear, and apparently they've decided not to.

21 MR. WILLIAMSON: Is that them back there?

22 MR. SKOPIK: I don't think so. I'll go check,
23 I've been watching.

24 MR. WILLIAMSON: Well, I know we're being
25 taped, so I want to say for the record Mr. Orr is a good
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1 House member and we would have looked forward to visiting
2 with him. We think he's going to be a good one for
3 transportation.

4 And Richard, we're glad things got worked out
5 and we hope it got worked out in a fair and professional
6 manner.

7 Mike, do we have any other business?

8 MR. BEHRENS: None that I'm aware of.

9 MR. WILLIAMSON: Mike, do we have any reason to
10 go into executive session, behind closed doors in the dark
11 of night?

12 MR. BEHRENS: No, sir.

13 MR. HOUGHTON: Smoke-filled room.

14 (General laughter.)

15 MR. WILLIAMSON: Well, before I say the most
16 privileged motion is in order, let me just say to everyone
17 that works for the Department of Transportation, we wish
18 you, seriously, Merry Christmas, Happy Chanukah, happy
19 holidays, a good holiday season, whatever might apply. It
20 is a privilege to serve you and the citizens of the state
21 of Texas. And I have the same wishes for my fellow
22 commissioners.

23 MR. HOUGHTON: And to you, Mr. Chairman, Merry
24 Christmas.

25 MR. WILLIAMSON: Now the most privileged

1 motion.

2 MR. HOUGHTON: Move to adjourn.

3 MR. JOHNSON: Second.

4 MR. WILLIAMSON: I have a motion and a second.

5 All those in favor of the motion will signify by saying
6 aye.

7 (A chorus of ayes.)

8 MR. WILLIAMSON: All opposed, no.

9 (No response.)

10 MR. WILLIAMSON: Motion carries. For the
11 record, we stand adjourned at 2:57 p.m. Thank you.

12 (Whereupon, at 2:57 p.m., the meeting was
13 concluded.)

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C E R T I F I C A T E

MEETING OF: Texas Transportation Commission
LOCATION: Austin, Texas
DATE: December 15, 2005

I do hereby certify that the foregoing pages, numbers 1 through 269, inclusive, are the true, accurate, and complete transcript prepared from the verbal recording made by electronic recording by Carol Oppenheimer before the Texas Department of Transportation.

(Transcriber) 12/20/2005 (Date)

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