MEMORANDUM OF MEETING

SUBJECT: Segment Three Committee Meeting

DATE: March 11, 2011

LOCATION: City of Victoria Building, Victoria, TX

ATTENDING: Attendees are listed on attached sign-in sheets (Attachment 1)

Purpose:

The purpose of this meeting was to: 1) review the Segment Three Committee February 2011 conference call notes; 2) review the most current motor vehicle traffic crash data along U.S. 59 and U.S. 77 and review traffic forecasts for year 2035 for the I-69 program sections within the Segment Three Committee limits; 3) solicit segment committee input on potential public involvement materials, strategies, and activities that should be considered when developing a public outreach plan; 4) present information on statewide and district transportation funding; and 5) discuss next meeting activities. The meeting agenda is included as Attachment 2.

Welcome/Introductions:

Domingo Montalvo, Segment Three Committee Chair, and Marc Williams, Segment Three Committee Facilitator, welcomed the segment committee members and had them introduce themselves. Marc noted that several proxies were in attendance representing members who could not make the meeting.

Administrative:

Marc Williams asked if the Segment Three Committee members had any comments on the February 2011 conference call notes contained in the meeting packet. No comments were offered at the time. Marc requested that if the committee members had any comments that they be forwarded to him or Doise Miers within one week. Once finalized, the notes will be distributed to the segment committee members prior to posting on the website. He also asked the committee members to closely review the February conference call participant list to make sure all of the participants were included. Marc then noted that the final January 2011 meeting notes are included in the meeting packet.

I-69 Program Priority Factors Review

Marc Williams reviewed the most current motor vehicle traffic crash data along U.S. 59 and U.S. 77 as well as 2035 traffic forecasts for the I-69 program sections within the Segment Three Committee limits. Marc referred the members to two graphics in the meeting packet that depict this data (Attachment 3). He also referred them to the February 2011 conference call notes which explain how to interpret the information on the two graphics.
Marc explained that the Segment Three Committee’s 2005-2009 Crash Rates Average graphic and Forecasted 2035 Average Daily Traffic graphic will continually be updated as additional information becomes available. He also mentioned that the forecasted 2035 traffic for the Houston region was updated based on additional information generated by the Houston-Galveston Area Council (H-GAC) and that H-GAC was in the process of obtaining additional truck volume percentages. The segment committee members provided the following comments:

- A segment committee member requested that the table which contains the raw crash data for the graphic be included either on the graphic or as an attachment to the graphic.
- A segment committee member inquired if the crashes in the Houston area were on the mainlanes or the frontage roads. Marc indicated that they are still sorting out the locations of the crashes to determine whether they occurred on the mainlanes or the frontage roads.

Following the review of the two graphics, a committee member commented that, at the next H-GAC Transportation Policy Council meeting, a resolution will be presented to support the designation of U.S. 59 as I-69 in the Houston-Galveston region. The Segment Three Committee members then further discussed the concept of a relief route south and east of Houston. The members subsequently approved a motion to form a subcommittee, comprising of interested members from Segment Committees Two and Three, to formally approach TxDOT officials in Austin about the need to move forward on conducting a planning study to evaluate the feasibility of the Houston relief route concept. The segment committee members believe that such a planning feasibility study could work in tandem with developing the I-69 program.

Public Involvement Activities

Karen Snyder of Katz & Associates and Ken Thompson of Thompson Marketing introduced themselves and referred the members to the meeting packet which contains a profile of their respective companies. Karen explained that they will be working with the five I-69 Segment Committees to develop customized public outreach plans that will synthesize the public involvement recommendations of the committee members and present public involvement strategies and activities that the segment committees could use to engage and communicate with the public. She referred the members to the meeting packet which contains a handout outlining a series of public outreach planning discussion items and starter ideas based on previous input from the committee. (Attachment 4). She then requested that the members provide feedback to the following questions:

1) What is the public’s perception regarding I-69?
2) Has there been any recent community outreach?
3) What lessons have been learned from previous past public involvement and need to be integrated into this public involvement plan?
4) Are there community leaders that need to be engaged that can serve as conduits for public communication?
5) What are the important messages and ideas you would like to convey to the public?
6) What public communication strategies would be effective?

The segment committee’s feedback to these questions was captured and will be included in the draft public outreach plan to be presented at the next meeting. In summary, the feedback of the members focused on the following points:
Two meetings were held regarding the concept of a relief route south and east of Houston. During these meetings, the public expressed concerns over the location of a relief route and how it would affect them. Some segment committee members were present to educate the public on the fact that a relief route location has not been established and will not be established as part of this committee’s duties.

Rural communities such as West Columbia and Needville want to preserve their small town atmosphere.

Need to convey to the public that no route has been defined, and that the process of defining and selecting a route will involve public outreach, input and environmental studies.

The public is aware of the I-69 concept because of the “Future I-69” signs.

Have meetings with local businesses and community leaders to educate them about I-69.

Get input from TxDOT on lessons learned from past public involvement activities.

Be aware that segment three has two distinct areas of concern:

1. Inside Harris County – Key concern is address changes associated with the designation of U.S. 59 as I-69. (A committee member subsequently explained that most businesses are located along adjacent frontage roads and, as such, would not have to change their addresses if the U.S. 59 mainlanes are designated I-69).

2. Areas predominantly rural – Key concern is the elimination of crossovers and changes in local access when the highway is upgraded to have control of access, which is a requirement for an interstate highway.

Educate local leaders and the public about the economic importance of I-69 to the region and local communities.

Educate local leaders and the public about the safety benefits of improving the existing routes to function as I-69 and that it would serve as an important emergency evacuation route.

Educate local leaders and the public about the projected increase in the movement of freight through the region associated with the Panama Canal Expansion.

Reach out to and engage small businesses along the proposed I-69 routes to address concerns they may have over changing traffic patterns, restricting access, acquiring right-of-way, considering relief routes, and the associated potential loss of revenue.

Reach out to local leaders, civic groups, and former Trans-Texas Corridor (TTC) opposition groups early in the process to inform them that I-69 is not the TTC and that its development would focus on utilizing the footprint of existing highways to the greatest extent possible.

Empower elected officials with tools such as “information sheets” to carry with them for impromptu discussion with the public in an effort to relay consistent, up-to-date information.

Need to convey the latest up-to-date I-69 information to the public ahead of time before holding public meetings to address any misconceptions that may exist. Social media (such as facebook, twitter and blogs) could be utilized before public meetings.

Need to develop an easy to navigate I-69 website that provides links to the most up-to-date I-69 program information, videos, presentations, and other sources of media.

Committee members need to be the ones to inform the communities at public meetings. Provide visuals and maps to aid in informing the public and answering the public’s questions before they leave the building. Collect comment cards as well.
I-69 Program
Segment Committee Meeting

- Utilize existing meeting venues such as city council meetings, chamber meetings, and rotary club meetings to give the public a chance to ask questions and to get answers and to provide them with the latest information.

Statewide and District Funding Presentation

Marc introduced the TxDOT District Engineers that were in attendance to make the presentation on statewide and district transportation funding. They included Lonnie Gregorcyk, TxDOT Yoakum District Engineer and Delvin Dennis, TxDOT Houston District Engineer. Lonnie Gregorcyk gave the TxDOT Transportation Funding PowerPoint presentation (Attachment 5), a copy of which was included in the meeting packet. Following his presentation, Lonnie and Delvin each reviewed the top priority projects with funding needs within their respective districts (Attachment 6).

Discussion of Next Meeting Activities

Marc Williams noted that committee members are encourage to e-mail any additional public involvement ideas to Doise Miers. The next meeting will be held on April 15th at 9:30 a.m.

The meeting was then adjourned.

Attachments:
1. Sign-In Sheet
2. Agenda
3. Segment Three Committee Crash Rates 2005-2009 Average Graphic and Forecasted 2035 Average Daily Traffic Graphic
4. Public Outreach Planning Discussion and Starter Ideas Outline
5. Statewide Transportation Funding Presentation
6. Statewide Transportation Funding Brochure and Regional Projects for the Houston, Corpus Christi and Yoakum Districts

Meeting Staff included:
Attachment 1
Sign-In Sheet
<table>
<thead>
<tr>
<th>Last</th>
<th>First</th>
<th>Appointing Entity</th>
<th>Int.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anzaldua</td>
<td>Leonard T.</td>
<td>Refugio County</td>
<td></td>
</tr>
<tr>
<td>Bondzie</td>
<td>Chandra</td>
<td>Houston-Galveston Area Council</td>
<td></td>
</tr>
<tr>
<td>Chambers</td>
<td>Spencer</td>
<td>Port of Houston Authority</td>
<td></td>
</tr>
<tr>
<td>Emmett</td>
<td>Ed</td>
<td>Harris County</td>
<td></td>
</tr>
<tr>
<td>Fischer</td>
<td>Laura</td>
<td>Bee County</td>
<td></td>
</tr>
<tr>
<td>Fitch</td>
<td>Tim</td>
<td>City of Beeville</td>
<td></td>
</tr>
<tr>
<td>Fitzgerald, P.E.</td>
<td>Mike</td>
<td>Galveston County</td>
<td></td>
</tr>
<tr>
<td>Fowler</td>
<td>D. Dale</td>
<td>City of Victoria</td>
<td></td>
</tr>
<tr>
<td>Gertonson</td>
<td>Stephen</td>
<td>Texas Farm Bureau</td>
<td></td>
</tr>
<tr>
<td>Hermes</td>
<td>Joe D.</td>
<td>City of Edna</td>
<td></td>
</tr>
<tr>
<td>Jaso</td>
<td>Ray</td>
<td>City of Refugio</td>
<td></td>
</tr>
<tr>
<td>King</td>
<td>E. J. &quot;Joe&quot;</td>
<td>Brazoria County</td>
<td></td>
</tr>
<tr>
<td>Kramer</td>
<td>Michael</td>
<td>City of Houston</td>
<td></td>
</tr>
<tr>
<td>Miller</td>
<td>Ray</td>
<td>Victoria MPO</td>
<td></td>
</tr>
<tr>
<td>Montalvo, Jr.</td>
<td>Domingo</td>
<td>City of Wharton</td>
<td></td>
</tr>
<tr>
<td>Pozzi</td>
<td>Donald R.</td>
<td>Victoria County</td>
<td></td>
</tr>
<tr>
<td>Rigdon</td>
<td>Tony</td>
<td>Port of Victoria</td>
<td></td>
</tr>
<tr>
<td>Spenrath</td>
<td>Phillip</td>
<td>Wharton County</td>
<td></td>
</tr>
<tr>
<td>Stafford, II</td>
<td>Harrison</td>
<td>Jackson County</td>
<td></td>
</tr>
<tr>
<td>Tinney</td>
<td>Ric</td>
<td>City of Goliad</td>
<td></td>
</tr>
<tr>
<td>Ward</td>
<td>Lane</td>
<td>Fort Bend County</td>
<td></td>
</tr>
<tr>
<td>Young</td>
<td>Richard</td>
<td>City of El Campo</td>
<td></td>
</tr>
<tr>
<td><strong>Bouman</strong></td>
<td><strong>David</strong></td>
<td><strong>Goliad County</strong></td>
<td></td>
</tr>
<tr>
<td>Last</td>
<td>First</td>
<td>Appointing Entity</td>
<td>Int.</td>
</tr>
<tr>
<td>---------------------</td>
<td>--------------</td>
<td>---------------------------------------------</td>
<td>-------</td>
</tr>
<tr>
<td>Anzaldua</td>
<td>Leonard T.</td>
<td>Refugio County</td>
<td></td>
</tr>
<tr>
<td>Bondzie</td>
<td>Chandra</td>
<td>Houston-Galveston Area Council</td>
<td></td>
</tr>
<tr>
<td>Chambers</td>
<td>Spencer</td>
<td>Port of Houston Authority</td>
<td></td>
</tr>
<tr>
<td>Emmett</td>
<td>Ed</td>
<td>Harris County</td>
<td></td>
</tr>
<tr>
<td>Fischer</td>
<td>Laura</td>
<td>Bee County</td>
<td></td>
</tr>
<tr>
<td>Fitch</td>
<td>Tim</td>
<td>City of Beeville</td>
<td></td>
</tr>
<tr>
<td>Fitzgerald, P.E.</td>
<td>Mike</td>
<td>Galveston County</td>
<td></td>
</tr>
<tr>
<td>Fowler</td>
<td>D. Dale</td>
<td>City of Victoria</td>
<td></td>
</tr>
<tr>
<td>Gertson</td>
<td>Stephen</td>
<td>Texas Farm Bureau</td>
<td></td>
</tr>
<tr>
<td>Hermes</td>
<td>Joe D.</td>
<td>City of Edna</td>
<td>Brad Ryan</td>
</tr>
<tr>
<td>Jaso</td>
<td>Ray</td>
<td>City of Refugio</td>
<td></td>
</tr>
<tr>
<td>King</td>
<td>E. J. &quot;Joe&quot;</td>
<td>Brazoria County</td>
<td></td>
</tr>
<tr>
<td>Kramer</td>
<td>Michael</td>
<td>City of Houston</td>
<td></td>
</tr>
<tr>
<td>Miller</td>
<td>Ray</td>
<td>Victoria MPO</td>
<td></td>
</tr>
<tr>
<td>Montalvo, Jr.</td>
<td>Domingo</td>
<td>City of Wharton</td>
<td></td>
</tr>
<tr>
<td>Pozzi</td>
<td>Donald R.</td>
<td>Victoria County</td>
<td></td>
</tr>
<tr>
<td>Rigdon</td>
<td>Tony</td>
<td>Port of Victoria</td>
<td></td>
</tr>
<tr>
<td>Spenrath</td>
<td>Phillip</td>
<td>Wharton County</td>
<td></td>
</tr>
<tr>
<td>Stafford, II</td>
<td>Harrison</td>
<td>Jackson County</td>
<td></td>
</tr>
<tr>
<td>Tinney</td>
<td>Ric</td>
<td>City of Goliad</td>
<td></td>
</tr>
<tr>
<td>Ward</td>
<td>Lane</td>
<td>Fort Bend County</td>
<td></td>
</tr>
<tr>
<td>Young</td>
<td>Richard</td>
<td>City of El Campo</td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>Goliad County</td>
<td></td>
</tr>
<tr>
<td>Name (Please Print)</td>
<td>Agency/Company</td>
<td>Signature</td>
<td></td>
</tr>
<tr>
<td>---------------------</td>
<td>------------------------</td>
<td>-----------</td>
<td></td>
</tr>
<tr>
<td>Kenneth Wate</td>
<td>CEMEX</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lawrence Bacak</td>
<td>Wharton, TX</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Andrea May</td>
<td>City of Wharton</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Wayne Bubela</td>
<td>County of Jackson</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D.A. &amp; MERLE ANN WEST</td>
<td>SELF</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Sonny Long</td>
<td>Victoria Advocate</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lily Khan</td>
<td>US ROW / Wharton City</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Name (Please Print)</td>
<td>Agency/Company</td>
<td>Signature</td>
<td></td>
</tr>
<tr>
<td>--------------------</td>
<td>----------------------</td>
<td>-----------</td>
<td></td>
</tr>
<tr>
<td>Nancy Ledbetter</td>
<td>I-69 GEC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tim Brown</td>
<td>I-69 GEC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lori Cole</td>
<td>I-69 GEC</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dwayne Booker</td>
<td>TXDOT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>D. K.</td>
<td>TXDOT - HOU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Karen P. Snyder</td>
<td>Karen: Assm</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Marc Williams</td>
<td>I-69 MD</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Ken Thompson</td>
<td>Thompson Marketing</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Roger Beall</td>
<td>TXDOT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Paul Reitz</td>
<td>TXDOT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Amy Looys</td>
<td>TXDOT - HOU</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Lonnie Gregory L.</td>
<td>TXDOT</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Dale Foster</td>
<td>VED &amp;</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Jim Gonzales</td>
<td>Football &amp;</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Attachment 2
Agenda
Welcome/Introductions

Administrative

• Review February 2011 Conference Call Notes

I-69 Program Priority Factors Review

• Motor vehicle crash data
• 2035 Traffic Forecasts

Public Involvement Activities

Statewide and District Funding Presentation

Discussion of Next Meeting Activities

www.txdot.gov/public_involvement/committees/i69/default.htm
Attachment 3
Segment Three Committee Crash Rates 2005-2009 Average Graphic and Forecasted 2035 Average Daily Traffic Graphic
Forecasted 2035 Average Daily Traffic for Sections within Limits of CSC 3

**Corridor Sections**
- Blue: Upgrade of Existing US 77 Alignment
- Red: Upgrade of Existing US 59 Alignment
- Green: Redesignate to Interstate
- Grey: Relief Route
- Yellow: US 59 Section ID
- Red: US 77 Section ID
- Yellow: Redesignate to Interstate Section ID

**Other**
- Commercial Airport
- Primary Deep Draft Seaport
- Shallow Draft & Barge Port
- Primary Deep Draft Seaport
- Commercial Airport
- Shallow Draft & Barge Port
- Highway - Interstate
- Highway - US Marked
- Highway - State Marked
- Urban Area
- County

**Note:** Forecasts are derived from 2009 Average ADT using a combination of historic traffic growth, forecasted population growth, and TxDOT’s Statewide Analysis Model outputs. Forecasts for the Houston area were obtained from the H-GAC.
Attachment 4
Public Outreach Planning
Discussion and Starter Ideas
Outline
Discussion Objective: Capture sufficient information from Segment Three committee members to enable effective local communications during the project, including local background, potential issues, communication objectives, strategic priorities and logistics.

1. General update
   a. Current community awareness of I-69
   b. Current community opinions, both negative and positive
   c. Communities with specific concerns and suggestions on local projects
   d. Current status: what has changed since November Update Report?

2. Past public outreach: what has been done? What has worked?
   a. Written materials
   b. Media
   c. Other

3. Information Plan
   a. The top three messages and ideas
   b. Supporting information
   c. Q&A

4. Outreach objectives: what would you like to see?
   a. Materials
   b. Meetings with officials, organizations
   c. Website
   d. Electronic
      i. Existing databases?
      ii. Email sources?

5. Spokespersons for the segment / Segment committee involvement, leadership
   a. Suggestions for committee spokesperson(s)
   b. Segment committee availability
   c. Media workshops

6. Public gatherings
   a. Community meeting options
   b. If community meetings, which communities?

7. Logistics (if community meetings)
   a. Meeting locations
   b. Committee member attendance
PUBLIC OUTREACH ACTIVITIES

STARTER IDEAS

Materials
• I-69 program fact sheet
• Segment Committee fact sheet
• I-69 brochure
• FAQ document
• Information kits
• Newspaper inserts
• Advertising
• Message cards/pocket cards
• PowerPoint presentations

Mass Distribution
• Advertising (e.g., meeting notices)
• Media relations (media releases, story ideas, appearances)
• Website content
• Flier distribution
• Public service announcements (radio, TV)
• Partnerships (e.g., companies helping distribute information)

Direct Contact
• City council meetings
• Speakers bureau (e.g., Rotary, Chambers)
• Community events (booths, handouts)
• Library displays
• Community open houses
• Community forums
Attachment 5
Statewide Transportation Funding Presentation
2030 Committee findings

• Need $315 billion to keep up (not improve)
• Expect to have about half that amount available
• Updated estimate: needs through 2035 will be about $370 billion
NEEDS AND COSTS

ESTIMATED CONSTRUCTION AND MAINTENANCE NEEDS

- Urban mobility needs: $243 billion
- Rural mobility, pavement, bridges, safety, and connectivity needs: $127 billion

SOURCE: Adapted from 2008 Committee Report

CHALLENGES

2011 TxDOT BUDGET: $9 Billion

- State Infrastructure Bank: $1.00B
- New Projects: $1.95B
- Maintenance: $2.70B
- Payouts on Existing Projects: $2.11B
- Design and Project Development Costs: $1.19B
Funding Challenges

- Inflation
- Fuel efficiency
- Federal funding
- Aging infrastructure
- Other uses of funds

Points to Consider

- Maximize traditional resources:
  - Address other uses of State Highway Fund currently supporting other state services
  - Improve TxDOT efficiency

*TxDOT does not advocate any particular option.*
Points to Consider

• Create new capital:
  – Increase vehicle registration fees
  – Index/increase fuel tax
  – Local options
  – Vehicle miles traveled fee
  – Increase federal rate of return
  – Explore other resources

_TxDOT does not advocate any particular option._

Points to Consider

• Continue or expand programs:
  – Public-private partnerships
  – Bonding
  – Tolling
  – Transportation Reinvestment Zones

_TxDOT does not advocate any particular option._
Conclusion

- Complex problem
- No simple solution
- Transportation vital to economy/quality of life
- Must consider rail, public transportation, aviation, other modes
- Public, elected officials will determine priorities
Stay up-to-date with your projects and TxDOT’s performance

www.txdot.gov

Project Tracker

TxDOT Tracker
Attachment 6
Statewide Transportation Funding Brochure and Regional Projects for the Houston, Corpus Christi and Yoakum Districts
Understanding State Road and Highway Funding in Texas
TRANSPORTATION

NEEDS AND COSTS

In 2008, the Texas Transportation Commission appointed a 12-member committee of Texas business, academic and civic leaders to determine independently the state’s transportation needs through 2030. According to the committee, Texas needs to invest $315 billion between now and 2030 to maintain the existing infrastructure, prevent - not improve - worsening traffic congestion in urban areas, and ensure rural mobility and safety.

That’s $315 billion if state and local partners could make those improvements today. Current state revenue projections show less than half of that amount will be available over the next two decades. Since the initial report was released, the Texas Transportation Institute (TTI) has updated the transportation needs figure to the year 2035. According to TTI, total statewide needs are now about $370 billion.

With inflation, and adding in the Texas Department of Transportation’s (TxDOT) other state responsibilities—like ferry service on the Gulf Coast, engineering and planning—that amount increases to more than $480 billion over the next 20-plus years.

Although filling that funding gap is a daunting prospect, exploring funding solutions for our most critical transportation needs is a realistic starting point. As state leaders explore those long-term financial solutions, TxDOT will continue working to balance the needs with available resources.

ESTIMATED CONSTRUCTION AND MAINTENANCE NEEDS

This map is a visual compilation of the statewide transportation funding needs through 2035 as identified by the Texas Transportation Institute.

- Urban mobility needs: $243 billion
- Rural mobility, pavement, bridge, safety and connectivity needs: $127 billion

SOURCE: Adapted from 2030 Committee Report

TENAS POPULATION GROWTH, 1970-2030

- SOURCE: Texas State Data Center

HIGHWAY CONTRACTS

- SOURCE: Texas Department of Transportation

Contracts Funded by Traditional Sources:

1 This includes the State Highway Fund which comprises state and federal motor fuel taxes, vehicle registration fees and federal reimbursements.
2 This includes Proposition 12 bonds, Proposition 14 bonds, Texas Mobility Fund, toll partnerships and federal stimulus dollars.
WHAT ARE THE CHALLENGES?

Traditional transportation funding sources—primarily motor fuels taxes and registration fees—have remained static for many years, and have not kept pace with mounting transportation demands.

Since the early 1990s, Texans have continued to pay 38.4 cents per gallon in state and federal motor fuel taxes while the state’s population has grown by more than 6 million, and vehicle miles traveled have increased by more than 50 percent. Population growth is projected to continue, and although more Texans should mean more money in transportation coffers, there are some factors to keep in mind:

- **Fuel efficiency.** By 2030, Texans will likely be driving passenger cars and trucks that could average about 34 miles per gallon. And fewer gallons purchased translate into fewer available dollars for transportation.

- **Inflation.** In Texas, construction inflation increased 65 percent between 2002 and 2008. Since the downturn in the national economy, prices have dipped. But as the economy improves, it is likely that prices will continue their upward trend.

- **Federal funding issues.** Texas is a donor state. For every federal motor fuel tax dollar Texans send to Washington, D.C., the state gets back about 70 cents for highways and 8 cents for transit. Additionally, federal funding is increasingly unreliable, making it difficult to plan for future transportation needs.

- **Aging infrastructure.** Many Texas roads and bridges have exceeded their intended lifespan and require extensive rehabilitation.

- **Other uses.** A portion of state transportation funds supports other important functions of government. In the 2010 to 2011 biennium, $1.15 billion in state highway fund revenues were allocated to other programs.

**CONSTRUCTION & MAINTENANCE PURCHASING POWER**

Since one dollar in 1997 equals 61 cents today, a $20 million project built in 1997 would cost more than $32 million today.

**2011 TxDOT BUDGET: $9 Billion**

[Diagram showing the budget distribution]

**Contracts Funded by Temporary Sources**

- 2008
- 2009
- 2010
- 2011
SO WHAT'S THE DISCUSSION?

The search for acceptable solutions is challenging, and no single action is likely to address all of the state’s transportation needs. Several proposals are part of the public dialogue. Some of these are:

MAXIMIZE TRADITIONAL SOURCES

- **Address other uses.** Dedicating all state motor fuels tax revenue to transportation would provide additional revenue each biennium, but other essential state services that are currently supported with state highway fund revenues would need new funding sources.

- **Improve TxDOT efficiency.** TxDOT is continually maximizing its existing budget by streamlining operations. The department also secured an outside consultant to conduct a top-down audit to recommend further efficiencies.

CREATE NEW CAPITAL

- **Increase vehicle registration fees.** Each $10 increase in motor vehicle registration fees should yield almost $200 million annually in additional revenues.

- **Index or increase the motor fuel tax.** Any changes to the tax could yield additional funding for the state. For example, if the current fuel tax were indexed (e.g., to the Consumer Price Index), each one percent increase would add about $20 million a year to the State Highway Fund. A 1 cent increase in the tax would generate about $100 million a year in revenue. Any additional gains, however, will eventually be tempered by higher fuel efficiency.

- **Local options.** A proposal discussed during the 81st Session of the Texas Legislature would have permitted voters to allow certain local governments the option to raise fuel taxes and other fees to address their specific transportation needs.

- **Vehicle Miles Traveled (VMT) tax.** Replacing the current per-gallon fuel tax with a VMT system would accurately reflect road usage, and could compensate for future fuel efficiency.

- **Increase the federal rate of return.** If Texas were no longer a donor state, it would receive an estimated $500 million more a year in highway funding under current formulas.

- **Other possibilities.** Some legislative leaders have discussed using other state revenue sources to fund needed projects. Those ideas include using a portion of the state’s oil severance and vehicle sales taxes. In 2008, the vehicle sales tax raised $3 billion for Texas’ General Revenue Fund.

CONTINUE/EXPAND PROGRAMS

- **Public-Private Partnerships.** Partnering with the private sector brings in additional money and allows projects to be built sooner, rather than waiting until traditional funding is available.

- **Bonding.** In recent years, the Texas Legislature has approved borrowing against future general and state highway fund revenues to accelerate projects statewide, saving money on future inflation costs and putting projects on the ground sooner.

- **Tolling.** Toll authorities play a significant role in developing transportation solutions. While toll roads cannot be the sole solution to the state’s transportation challenges, they offer drivers alternative routes and time-saving choices.

- **Transportation Reinvestment Zones (TRZ).** Strengthening TRZs provides another local funding option. Increased property tax revenue generated within the improved zone is used to finance transportation projects.

**NOTE:** These funding sources are not all-inclusive. TxDOT does not advocate any particular solution. Final decisions about transportation funding options belong to state legislators and members of Congress.
The Texas population will increase over the next couple of decades. And with all that growth will come more demand on the transportation system, demand for more and improved infrastructure that can’t be built within existing revenue streams. While every region of the state has important transportation projects that need funding, specific projects are important to the state’s overall economic well-being. Below are just a few. (Projects subject to change.)

   - Upgrade existing roadways to interstate status
   - $16.4 billion (Estimate is preliminary and is based on suggested improvements from Segment Committees.)

2. I-35 in the Waco and Temple areas
   - Expand to eight lanes
   - $497 million

3. Interstate 10 in Jefferson, Chambers and Orange counties
   - Widening roadway
   - $200 million

4. Harbor Bridge in Corpus Christi
   - Replace bridge
   - $600 million

5. Grand Parkway (Segment A through I-2)
   - Construct new location roadway
   - $5 billion

6. South Padre Island Causeway
   - Construct second connection to the island
   - $562 million

7. Loop 1604 in San Antonio
   - Add capacity to roadway
   - $2.76 billion

8. Loop 49 in Smith and Gregg counties
   - Continue building tolled loop around Tyler
   - $1.65 billion

9. Northeast Parkway
   - Construct new location roadway
   - $399 million

10. I-35E in Dallas and Denton counties
    - Reconstruction and expansion
    - $5.5 billion

11. U.S. 54
    - Upgrade to 4-lane divided between NM and OK
    - $155 million

12. Ports-To-Plains Corridor
    - Various road improvements
    - $1.9 billion (Estimate is preliminary for 4-lane divided facilities.)

---

Stay up-to-date with your projects and TxDOT’s performance.
The best decisions can only be made with access to the right information. Project Tracker and TxDOT Tracker can be found at www.txdot.gov.
CONCLUSION

Demand on our transportation system is outpacing available revenue, and we're trying to meet 21st century demands with 20th century dollars. Today's challenges of inflation, population growth, aging infrastructure and more fuel-efficient vehicles have stretched available funds to their limits.

Just as the problem is multifaceted, so is the solution. Public officials are working diligently to develop options that are practical and acceptable to the public.

Transportation is essential to Texas' future. Investing in a balanced, regionally determined, multimodal transportation network stimulates economic activity. It also creates employment opportunities and gives Texas communities choices to address their growing and changing populations.

The information and ideas presented in this brochure discuss the needs of highway and road funding in the state of Texas. But there are other, equally important, modes of transportation—from rail to public transportation to aviation—that need to be considered in developing a solution for Texas' transportation challenges. Meeting our future needs will require a multi-level approach, and every Texan needs to be involved in the dialogue. We hope you add your voice to the discussion. If you have any questions or comments, please e-mail us at AskTxDOT@txdot.gov.

Find out more: www.txdot.gov

Sources used in this report: http://www.txdot.gov/about_us/funding_sources.htm
REGIONAL PROJECTS

So what would the effect of additional funding be on the six-county region within the Houston District of TxDOT? Here are just some of the area’s major needs that are waiting for construction funding.

Consider this simply a snapshot of some possibilities. Different types of funding come with specialized spending requirements, and priorities within a region shift from time to time.

For further information, please contact Raquelle Lewis at 713-802-5071 and HOU-PIOWebmail@txdot.gov.

UNFUNDED REGIONAL PRIORITIES

1. U.S. 290 Corridor
   - Added capacity/Non-toll project
   - $1.5 billion

2. Proposed Hempstead Tollway
   - Toll/Managed-lanes project
   - $2.2 billion

3. Proposed SH 99/Grand Parkway (Segments A-D2)
   - Toll project
   - $5.2 billion

4. I-45 North Freeway Corridor
   - Added capacity/Managed lanes – Non-toll project
   - $1.7 billion

5. SH 288 Corridor
   - Toll/Managed-lanes project
   - $1.8 billion

6. U.S. 59/Southwest Freeway (Harris County)
   - Non-toll project
   - $75 million

7. U.S. 59/Southwest Freeway (Fort Bend County)
   - Added capacity – Non-toll project
   - $767 million

8. Proposed SH 35 Corridor (Harris/Brazoria Counties)
   - Toll/Managed-lanes project
   - $1.3 billion

9. Proposed SH 249 Corridor
   - Toll/Managed-lanes project
   - $713 million

10. I-10 West (SH 6 - Brazos River)
    - Added Capacity/Managed Lanes
    - $350 Million

---

Stay up-to-date with your projects and TxDOT's performance.
The best decisions can only be made with access to the right information. Project Tracker and TxDOT Tracker can be found at www.txdot.gov.
So what would be the effect of additional funding be on the 10-county region within the Corpus Christi District of TxDOT? Here are just some of the area’s major needs that are waiting for construction funding.

Consider this simply a snapshot of some possibilities. Different types of funding can come with specialized spending requirements, and priorities within a region shift from time to time.

For further information, please contact Tom Tagliabue at 361-808-2481 and Tom.Tagliabue@txdot.gov.

**UNFUNDED REGIONAL PRIORITIES**

1. **U.S. 181 Harbor Bridge**
   - Bridge replacement project
   - $600 million

2. **U.S. 77 Corridor (from I-37 south to Kenedy County Line)**
   - Upgrade to interstate standards
   - $180 million

3. **SH 361 (Nueces County from Port Aransas to PR 22)**
   - Construct additional travel lanes
   - $50 million

4. **SH 44 (Nueces County Line from Clarkwood to U.S. 77)**
   - Upgrade interstate standards with connections to U.S. 77
   - $90 million

5. **U.S. 181 at La Quinta (San Patricio County)**
   - Construct interchange
   - $15 million

6. **U.S. 59 (from Goliad to the Duval County Line)**
   - Upgrade to interstate standards
   - $600 Million

7. **U.S. 281 at Premont (Jim Wells County)**
   - Construct bypass to interstate standards
   - $20 million

8. **U.S. 59 at I-37 (Live Oak County)**
   - Upgrade interchange with direct connectors
   - $50 million

9. **U.S. 77 (from I-37 north to Victoria County Line)**
   - Upgrade to interstate standards
   - $200 million

10. **U.S. 181 (from Beeville to Kenedy)**
    - Construct additional travel lanes
    - $95 million

11. **U.S. 281 (from US 59 to Brooks County)**
    - Upgrade to interstate standards
    - $360 Million

---

**Stay up-to-date with your projects and TxDOT’s performance.**

The best decisions can only be made with access to the right information. Project Tracker and TxDOT Tracker can be found at www.txdot.gov.
So what would the effect of additional funding be on the 11-county region within the Yoakum District of TxDOT? Here are just some of the area's major needs that are waiting for construction funding.

Consider this simply a snapshot of some possibilities. Different types of funding come with specialized spending requirements, and priorities within a region shift from time to time.

For further information, please contact Amy Loos at 361-293-4350 and Amy.Loos@txdot.gov.

**UNFUNDED REGIONAL PRIORITIES**

1. I-10 (Austin County)
   - Managed-lane project
   - $300 million

2. SH 77 (Fayette County)
   - Road improvements
   - $30 million

3. SH 36 (Austin County)
   - Road improvements and Bellville Relief Route
   - $110 million

4. U.S. 77 (Victoria County)
   - Complete Victoria Loop
   - $52 million

5. U.S. 59 (Victoria/Jackson/Wharton counties)
   - Upgrade to interstate standards
   - $400 million

6. SH 60 (Matagorda/Wharton counties)
   - Road improvements
   - $50 million

7. FM 521 (Matagorda County)
   - Road improvements
   - $44 million

8. U.S. 77 (Victoria County)
   - Upgrade to interstate standards
   - $50 million

---

*Stay up-to-date with your projects and TxDOT's performance.*

The best decisions can only be made with access to the right information. Project Tracker and TxDOT Tracker can be found at www.txdot.gov.