Lump Sum Distribution Workgroup Meeting Notes

May 2, 2006, 8:30 am – 3:10 pm

Thompson Center, Austin, TX
Recorded by Carol Court, TTI

In attendance (unless otherwise noted):

Wayne Wells	TxDOT-TPP			Mark Longenbaugh	TxDOT District El Paso	
Kenneth Petr	TxDOT District Amarillo			Dan Lamers	MPO-DFW	
Tom Niskala	MPO-Corpus			Chris Evilia	MPO-Waco	
Dione Albert	TxDOT-DES			Max Proctor	TxDOT-TPP	
Philip Lujan	TxDOT District Beaumont			Gary Law	TxDOT District Odessa	
Linda Olson	TxDOT-DES			Jenny Peterman	TxDOT-TPP	
Roger Burtchell *(for Brad McCaleb)*	MPO-Texarkana			Lanny Wadle	TxDOT-FIN	
Jim Randall	TxDOT	Ab-sent		Montie Wade	TTI	
Robin Boone	TxDOT District Pharr			Bill Frawley	TTI	
Duane Sullivan	TxDOT-FIN			Todd Carlson	TTI	
Linda LaSut	MPO-Bryan/CS	(AM only)		Jason Crawford	TTI	
Nancy Johnson *(for Gus Cannon)*	TxDOT-ROW			Carol Court	TTI	

Definitions below are taken from TxDOT's online Glossary, http://manuals.dot.state.tx.us/dynaweb/colcomun/glo.

Plans, Specifications and Estimates, Acronym or Abbreviation: **PS&E**
Plans, Specifications and Estimates are the detailed plans and accompanying specifications and construction cost estimates which serve as documents for construction contract letting purposes. Plans are the contract drawings which show the location, character, and dimensions of the prescribed work, including layouts, profiles, cross section, other miscellaneous details, and quantity summaries. Specifications are the compilation of provisions and requirements for the performance of prescribed work. The estimate is a list of all bid items and quantities estimated bid prices, total cost for each bid item, and the total estimated cost for the proposed project.

preliminary engineering - Preliminary engineering is that portion of the development of a project during which the basic planning objectives are translated into specific, well-defined criteria that can permit the final design process to begin.

Introduction and Background: Montie Wade, TTI

- Introduced purpose of meeting: Commission requests recommendation for distribution of **right-of-way (ROW)** and **preliminary engineering (PE)** funding to MPOs and TxDOT districts, and background.
- Review of Agenda
- Member Self-Introductions
- Deadline of December 1, 2006

Review of Category 2 and 3 Development, Bill Frawley, TTI and Todd Carlson, TTI

- Frawley, B. - Reviewed development of Category 2 (See Appendix A)
  - Wade, M. - The criteria and weightings are currently being used for allocation on construction funds.
  - Proctor, M. - The group is not here to re-develop these factors/weightings for construction.
- Carlson, T. - Reviewed development of Category 3 (See Appendix B)
  - Law, G. - Category 3 did not consider off-system roads.
  - Proctor, M. – Association of Texas MPOs (TEMPO) selected Category 3 Workgroup participants as well as those for this Lump Sum Workgroup.

The Current Situation, Max Proctor, TxDOT–TPP

- Provided example of benefits from using increments versus years for Categories 2 and 3. For example, we were able to easily advance some projects, since they were not tied to a specific fiscal year.
- Entering into the 4th UTP using this structure
- Good thing for programming – everybody knows what they have to work with.
- Amadeo Saenz wants MPOs to have the authority and responsibility of PE and ROW.
- There are a lot of issues to be addressed
  - Adopt same formula as is used for construction funding – easy thing to do, but is it important? Needs discussion.
  - One distribution formula to determine funding to go to each individual MPO, then they decide what to do with the funds (PE, ROW and construction).
  - Challenges to finance system
    - Allows us to move money between TxDOT strategies related to vision of the MPOs and they communicate back to TxDOT
- This process was mandated by TxDOT Administration and the Commission
- Get authority down to local areas and they become responsible for consequences of those decisions, not the Commission, TxDOT Administration or Division.

Discussion

- Law, G.:
  - Is the workgroup to develop a process distributing a quantity of funds to each MPO for necessary planning, ROW acquisition, and construction? **A**: Proctor, M. - Yes
  - Will MPOs take over management of Category 3 corridors? **A**: Proctor, M. - MPO decides where funding is spent; District implements that decision.
  - *Commentary: The point was made that RMA funding is separate from Category 2 and 3 Funding.*
  - The workgroup needs to spend time up front to describe the end product to keep the group focused. We are trying to tie together 5-6 processes internal and external to our departments. We may all be talking from different perspectives.
- Johnson, N. - Does it include PE work on ROW? **A**: It comes out of **plans, specifications, and engineering (PS&E)** dollars. *(This needs additional explanation)*
- Longenbaugh, M.:
  - I don't see how the ROW and PS&E would be tied to a formula instead of projecting from projects already in the pipeline.
  - MPO will determine priority, but District will have oversight? **A**: Proctor, M. - MPO will schedule projects. Process is not going to change for prioritizing projects
- Law, G.-This determines allocation of funds for what part of the process? **A**: Wade, M. – This group is not proposing the size of the budget, we are allocating ROW and PE to Category 2 and 3.

Discussion on TxDOT Strategy codes.

- Johnson, N. - Strategy 111 is contracted professional engineering costs. ROW is strategy 102, what about acquisition and utilities? **A**: Proctor, M.-If professional engineering work is contracted, it comes out of PE. MPO will get one amount and they will do total project funding out of that amount.
- Johnson, N. I have a procedural guide from ROW Department (hand out was distributed-See Appendix C)

Cont'd Discussion on Current Process

- Longenbaugh, M. - Could you just forecast if you know your needs and have a formula? I don't see how we can come up with a formula.
- Boone, R. - I like the process we have now. We tell what we need and get it.
- Burtchell, R. - I'm new to the process and I don't understand MPO position. Could you line out basic process of who does what? **A:** Proctor, M. - There are 25 MPOs in the state and 25 different processes. Your internal process is between you and the district. This is establishing an overall process / goal, this workgroup is not changing the internal process.
- Boone, R. - MPO people here need to understand that MPOs aren't involved at all right now with ROW and PE processes. So they don't know much about the processes, and this is going to change that.
- Proctor, M. - That's the point, we need MPOs to take responsibility. The purpose is to devise a process to allocate responsibility to MPOs. We have been ordered to do so and it will happen.
- Olson, L. - Can this group decide to make recommendation by percentages?
- Boone, R. – We all have a learning curve because we all have a narrow focus.

- LaSut, L - Corridors aren't being used in our area. What are they? We didn't have anyone at the Category 2 and 3 UTP meetings.
  - Proctor, M. - **A:** Every area was done, and your district has that and is supposed to be coordinating with the MPOs. Districts and MPOs work together in various ways, if you're not talking with your districts, you need to coordinate with them.
  - Peterman, J. - We sent a letter out to MPOs in December instructing them to coordinate with the districts.

Discussion-Category 2 & 3 Funding

- LaSut, L. - What about Category 12 funding priority? **A**: Proctor, M. - Under this process, only Category 2 and 3 are the MPO's responsibility.
- Wade, M. - Where do Category 2 and 3 funds come from? **A:** Proctor, M. - Under the new Federal Bill we have no options in the process for categories 5, 6, 7, 8, 9 and 10. Of the remaining 6 categories: 1, 2, 3, 4, 11 and 12; we only have some control of Categories 2, 3 and 4. Category 2 gets 65%, Category 3 gets 10%, and Category 4 gets 25%. Next year the Highway Trust Fund will be depleted and funds will drop by 20%. If that happens, there will be no mobility funds
- Wade, M. - So, we have one big pot for Categories 2, 3, and 4, and we have to determine how those funds are split.
- Lamers, D. - Does that mean we need to recommend total dollars for ROW and PE off the top? If a project is chosen by the MPO, are we determining allocation of funds for non-consulting money? **A**: Proctor, M. - No, the PE work is only consultant activity, TxDOT staff is already paid. TxDOT has some PS&E money and MPOs have to work cooperatively with districts to determine what other PE will come out of budget. This puts the responsibility on the MPO and emphasizes their relationship with the district.
- Longenbaugh, M. - If the MPO and district are working together prioritizing projects, they should have already worked this out.
- Proctor, M. – The process won't change.
- Lamers, D. – I just want to understand our responsibility.

Discussion-PS&E Funding Split

- Wade, M. - Funding for PE between MPOs and district is not clear.
- Proctor, M. – This will refer only to consultant dollars.
- Law, G. - It will depend on who you hire.
- Proctor, M. - Strategy will be determined later.
- Law, G. - From a district perspective, Category 3 projects and professional engineering expense will be from allocated funds, and TxDOT will do minimal support while doing other projects already funded.
- Proctor, M. - MPOs will get a pot of money to determine how to use, they can decide to use all the money to secure ROW 25 years before a project is funded for construction.
- Longenbaugh, M. - TxDOT is getting their approval for how the funds are used.
- *Commentary: The point was made that PL funds (federal plu match for planning only) are not to be used for PE or ROW.*
- Sullivan, D. - Statewide engineering and design varies from district to district. Should this be allocating the same amount to districts not designing as much? **A:** Proctor, M. - That is what

we will be determining. The TMAs compete with one another in Category 2, and non TMAs compete with one another in Category 3.

- Sullivan, D. – The MPOs will decide cooperatively with districts how to allocate funds?
  - **A:** Proctor, M. - MPO Policy Boards will determine priority projects.
  - *Commentary: Once the funds are allocated, the MPO determines how they are spent on projects. All funds are part of one lump sum: construction, ROW and PE.*
  - Lujan, P. - MPO could spend all money on acquisition and figure out later how to fund construction.
- Law, G. - We all need to learn more so we all have the same level of understanding.

10 min. BREAK
Resume-10:30 am

Work Group Philosophy and Strategic Plan of Development- Wayne Wells, TxDOT-TPP

Discussion –Presentation of Recommendations to TEMPO (See Appendix D)

- Proctor, M. - Once it has been put through MPO/District discussion and the five MPOs here agree, they will take draft recommendations to TEMPO for review and act as champions
  - May 31 is the next TEMPO meeting. The group meets quarterly.
  - Evilia, C. - Do other MPOs know this is going on?
  - It can be presented every time TEMPO meets but it doesn't look like we'll have coverage at the planning conference.
  - Proctor, M - I don't think we'll be ready by then anyway.
  - Wade, M. - MPO members of this workgroup need to help us to remember to make a presentation to TEMPO.
- Boone, R. - This would be implemented with the 2009 SMP? **A:** Proctor, M. - Yes, reasonable expectation is that this formula would be used for FY09 Statewide Mobility Plan.
- Olson, L./Wells, W. – As a result of the Total Cost Workgroup, New Design-Construction Information System (DCIS) screens are being developed for all these strategies. (ROW,etc)
- Law, G. – Is it possible for the slides and notes presented at today's meeting to be posted on website? **A:** Wade, M. – Yes.

Discussion-Review of funding formulas & application

- Wade, M. - Let's look at a flowchart (flipchart)

STP Percentage Breakdown for Construction	
Category 2	gets 65%
Category 3	gets 10%
Category 4	gets 25%

  - To add to these portions allotted for construction, MPOs will have to decide what will be designated for ROW and PE for Categories 2 and 3.
  - Category 4 will get whatever is leftover.
  - Does anyone understand how percentage is distributed?
  - How do we turn percentage into dollars? **A:** Viewed slide showing funding target allocation (See Appendix E)

- Lamers, D. – Gave an explanation of spreadsheet breakdown using percentages by category split between 8 TMAs.
- Allocation of construction funding to MPOs has already been established. We have the charge to allocate dollars for ROW and PE.
- PE has always been tied to construction as a percentage of cost.
- True, but we don't know what percentage to use
- Proctor, M.
  - TMF and Proposition 14 Fund give us additional funding for PE and ROW. This caused a "bubble," resulting in approximately $640M in ROW per year.
  - We have to know what percentage of funding can be anticipated realistically.
  - The preliminary "bubble" is $640M; then it drops to about $320M.
  - We have to plan on having funds even if we don't know where they're coming from.
- Longenbaugh, M. - Will we have preliminary funds for plan status?
- **A:** Proctor, M. - Plan status could be established before construction status.

Discussion of PE costs

- Consultant cost is funded from Strategies 102-190.
- Has been around $300M for consultant cost under PE
- FY04 was $286M in-house and consultant
- FY05 was $632M
- Strategy 101 pays TxDOT staff no matter what.
- Strategy 111 pays consultants.
- Proctor, M. - We need to forget minutia, just look at what we actually pay for consulting. Drop accounting, look at programming and what we plan to pay for consulting PE.
- Finance forecasted spending $360M in 2007 for ROW acquisition.
- Lamers, D. - I want to know who pays for what—what are we expected to come up with? **A:** Proctor, M. - That amount does not cover TxDOT staff time, just consulting, ROW and Acquisition. In 2007, $507M is forecast for PE, including in-house and consulting. We need the breakout for consulting only. That's the number we need to plan with.
- Once we get it, what portion of that is going to be allocated?
- Construction is allocated based on 65% Category 2, 10% Category 3, and 25% Category 4.
- Do these percentages need to correlate to the construction budget?
  - Olson, L. - We could get the numbers for the last 3 yrs and see if there is correlation.
  - Proctor, M. - Not sure historical spending is going to be applicable to forecasting future spending.
- Lamers, D. - Could look at what total dollars were spent on construction, PE, etc.
- Proctor, M. - Historical data on these categories only exists for the past 3 yrs and we have been in a "bubble."
- Come up with some sort of construction costs on these projects and apply percentages to the projects. Look at average consultant cost and ROW cost. We already know what construction cost is, so we just tack those percentages on. This will allow us to ignore the "bubble."
- Olson, L. - We have 3 yrs worth of data broken down by cost.
- LaSut, L. - Look for a correlation between construction and ROW costs, or if they're all over the board.
- Frawley, B. - You have to look at the cost by project to get a historical view.

- Lamers, D. - Is that total cost? What if we have half the cost of project covered locally, and the percentage is based on 50% of the project cost? In the future, if we don't have local funds, would we still only get 50% from the State? **A:** Proctor, M. - This allocation process will not allow you to leverage extra funding.

Discussion of PEERS Report

- Sullivan, D. - PEERS report (Preliminary Engineering Efficiency Report System--tied to actual project) may be useful to get project costs
- Frawley, B. - Charted a table of data desired by work group on board:

Project CSJ	Total Construction $	ROW $	PS&E $	Category

- Group agreed the data was desirable, Olson, L. stated it was not feasible.

Data to be furnished by divisions

- FIN-Sullivan, D.
  - PEERS Report– monthly letting and a 3-year moving average, summarize by district, in-house v. consultant, can break out by CSJ
  - Can provide data by year
- ROW-Johnson, N.
  - List of ROW projects for Categories 2 and 3
  - 5-6 year history
  - New system captures data based on category, maybe we can merge that into FIN data.
  - Percentage of Fund 6 per year
  - Not forecast
- DES-Olson, L.
  - Numbers for last 3 years. Anticipated letting volumes, anticipated PS&E expenditures, and anticipated ROW expenditures for Category 2 and 3.
  - Projected construction expense per year per CSJ
- TPP(P)-Peterman, J.
  - Spreadsheet of construction allocation formula

Other Discussion on available data and ROW

- PEERS doesn't have ROW information.
- Olson, L. - There is a ROW CSJ field on the P1 screen in DCIS.
- Boone, R. - Need programmer from Information Systems Division (ISD) to help with databases.
- Lamers, D. – Do we also need breakout for project Categories 7 and 11? **A:** PEERS-by year-partial acquisition and PE, cannot break it out by category.
- Wade, M. - FY 01-05, ROW percentage of construction has been 11%
- PE has been running close to 20% up to letting?
- Law, G. – PE may be up to 15% on Category 3 after letting.
- Niskala, T./Petr, K. - PEERS report may break down costs enough to get data we need.
- Proctor, M. - If $667M is allocated for Category 2 construction, estimate 11% or $73M for ROW, and 10% or $67M for PE. We need to come up with a reliable percentage relating to construction for Category 2 and Category 3, and that percentage is what we need to use.

TPP(P) Spreadsheet of Construction Allocation Formulas (Sample Breakout)		
Category 2 ($10B/15 years)	$667M (65%) Construction	$73M (11%) ROW $67M (10%) PE
Category 3 ($1.65B/15 years)	$110M (10%) Construction	$12M (11%) ROW $11M (10%) PE
Category 4	(25%) Construction	Whatever is left over

Discussion on percentage to use for distribution

- Boone, R. - Cannot necessarily use historical data from FIN, we need to look at this by project, because percentage may or may not remain consistent in all areas. We should look at real estate projection too.
- Burtchell, R. – Let's look at our projects using these percentages and see if they are higher or lower? Can't we do this in a project-related manner? **A:** Proctor, M. That's being done now and commission doesn't want it done like that because the money has been coming out of a "magic pot." All the money available is going to be allocated for these two categories and decisions will have to be made. MPOs should have to make those project-level decisions.
  - We have a forecast for construction cost. The department has been projecting with reasonable correctness for ROW and PE. But the MPOs will still have to make the decisions.
- Law, G. – If we use that historical info by percentage, we can take MPO projection of available Category 3 dollars, apply percentage and take that figure back to MPO and do the breakdown.
- Petr, K. - Our corridors are currently being built on existing ROW.
- Law, G. - You will be given an aggregate fund, and if you have lower PE or ROW requirement and complete project sooner, percentage may be lower.
- Boone, R. - It's a useful exercise. If we establish some goals and don't explore all the options, how can we defend our findings?
- Burtchell, R. - Gary Law's idea plus or minus 20% for ROW is enough for us but not Houston or Dallas.
- Boone, R. - I think we need to be able to defend and maximize useful data.
- Niskala, T. - What data will we get?
- *Commentary: The point was made that not all data requested will be available and/or useful. Therefore we will explore what is available and useful.*
- Wade, M. – We will investigate and see what data we can obtain for the next meeting.

BREAK for lunch 12:15
Resumed at 1:25 pm

Discussion of workgroup challenges (see Appendix F) and milestones to meet them

- Law, G. - Can we review the challenges for the group as listed in the Agenda and, based on Challenges, develop milestones for accomplishing our goals?
- The workgroup developed these milestones:
  - May – Use division supplied data for review
  - May 31 – TEMPO initial announcement of workgroup
  - June – Complete Challenge #1 (Category Distribution)
  - July – Complete Challenge #2 (Allocation)

    - Determine methodology
    - TPP(P) run numbers through spreadsheet
  - August 15 – Begin writing draft report
  - August 31 – Complete Challenge #3 (Process Design)
  - September – Identify legal questions for inclusion in report
  - October 1 – Draft report to TEMPO and Districts
    - MPO and District review
    - 2nd TEMPO update
  - November 1 – Begin addressing comments
    - Second draft report
  - December 1 – Final recommendation report to Commission
  - 2007/Future – Education and training

Discussion on data needed to begin reaching consensus

- Construction doesn't consider other categories,
- PS&E has to consider nine other categories in the allocation.
- Construction cost is higher in rural areas; ROW is higher in urban areas.
- Could PE possibly be higher in urban areas due to air quality issues?
- Boone, R. – Is PE tied to construction costs by percentage?
- Do we need a different formula for Category 2 and 3?
- Once we make the first separation, we could go back and use average population density percentage.
- Boone, R. – How do we get away from county numbers for all data?
- Wade, M. - What kind of info would you want to see to determine distribution? Would MPOs and Districts here look back over the past 5-years' projects to see what the cost of ROW has been?
- Law, G. - Is that looking back far enough?
- Wade, M. – Go back as far as you have to and determine the percentage of cost that was ROW.
- Petr, K. - Population density is a consistent benchmark.
- Wade, M. – County numbers could skew that.
- Proctor, M. - If we could come up with a typical percent of the construction cost needed for ROW, it would neutralize other costs.
- Boone, R. – Need a dataset that's defensible, comparable and reliable among all the regions.
- Lamers, D. - Can't the ROW Division provide some information on how areas compare in ROW costs? What is the cost-of-living index?
- Proctor, M. – Doesn't matter, it needs to be compared to construction cost.
- Petr, K. – Didn't TTI do some research we could use?
- Boone, R. – That data had never been shared with us.
- Petr, K. – It is better than what we have right now.
- Wade, M. – Gus mentioned that CTR did research for them and has a program for preparing total cost of a project, including ROW and PE. He encouraged all the districts to try it but only about three might have tried it. We may be able to ask CTR to make a presentation.
- Longenbaugh, M. – We're going through budget process and we could send you something from that.

- Olson, L. – We can provide you with letting cost, PE cost and numbers of CSJs and you could go back to the district and get the ROW cost.
- Proctor, M. – Whatever we come up with is going to be a close approximation.
- Boone, R. – We've got the total costs out there, we just need to fill in the blanks for total construction cost and ROW.
- Proctor, M. – If you can establish the relationship between construction, ROW and PE, that's what you need. Construction is already figured you just need to establish if you need a separate formula for TMAs and non-TMAs for PE and ROW.
- Lamers, D. – The District people will go back as far as they can and bring what they have.
- I think we decided to wait and see what DES and ROW have before we do this.
- Olson, L.– We will put together our report using the PEERS report and possibly get ROW info from districts and have something to work with next time.
- Frawley, B. – Showed population densities from census bureau webpage on screen. (See Appendix F) *Commentary: may not be directly related to ROW costs and land values*
- Wade, M. – Do you want this info supplied to you in a table?
- Frawley, B. – These densities are based on census-designated, pre-smoothing urbanized areas.
- Lamers, D. – Couldn't we use an economic indicator instead of population density?
- Wade, M. – What we want is percentage of ROW cost to construction cost
- Proctor, M. – It's not a huge amount of money, so it's not worth spending too much time hashing over it. We need to come up with something relatively close that we can live with and that's what we'll use.
- Wade, M. - Is there any other data you guys want to see before the next meeting?
- Carlson, T. – Is there is a document in TPP(P) that shows the money spent in all the UTP categories by year?
- Proctor, M. – Expenditures or lettings? We have lettings.
- Carlson, T. - I'm thinking expenditures for all categories except 2 and 3.
- Proctor, M. - I don't think it's broken out.
- Lamers, D. - We have to figure out a formula that will tell us what percentage needs to go to Categories 2 and 3, and then decide if that correlates with construction cost proportionally.
- Longenbaugh, M. - All you need to know is what percentage of the construction cost should be allotted to Categories 2 and 3 for ROW.
- Amount expended the last five years on construction and on ROW. What Linda Olson is giving us total construction v. total ROW v. consultant.

Discussion for next meeting:

- Population density may be surrogate for real estate costs
- Presentations the workgroup recommends to help them deliberate
- TMMP/TUMP ROW Costs
- CTR Form and Program
- The next meeting will be **Thursday, May 24th, 8:30 am - 4:30 pm at the Thompson Center.**

APPENDIX A

BACKGROUND

TxDOT UTP Category 2:

Metropolitan Area (TMA) Corridor Projects

Category 2 Parameters

- Transportation Management Areas (TMA) – 200,000+ pop.
- 8 TMAs in Texas
  - Austin
  - Corpus Christi
  - Dallas-Fort Worth
  - El Paso
  - Hidalgo County
  - Houston-Galveston
  - Lubbock
  - San Antonio

Work Group Membership

- Each TMA had one voting representative
- Each TxDOT District in which a TMA is located was represented
- Various other TxDOT divisions and offices also had representation on the work group

Work Group Support

- Additional appropriate staff from local entities
  - participated in discussions
  - provided necessary information
- Voting members could have proxies represent them

UTP Category Reduction

- New Category 2 created from variety of previous categories

IMPORTANT NOTE:

Category 2 covers these types of projects for corridors located within TMA boundaries that have both local and statewide interest, such as the Katy Freeway in Houston

Charge to Category 2 Work Group

- Corridor Guidelines Work Group developed the following charges for Category 2,3, and 4 work groups:

1. Identify and review priority corridors
2. Apply weighting factors to the corridor selection criteria
3. Document criteria weighting rationale
4. Determine corridor prioritization eligibility

Charge to Category 2 Work Group

5. Score each eligible priority corridor
6. Rank prioritized eligible corridors
7. Prioritize eligible mobility projects that fit the Statewide Connectivity Corridor
8. Review regional funds distribution
9. Prepare draft report of recommendations for review and final approval by the Texas Transportation Commission

Statewide Corridor List Development Process

Issues Considered

Local vs. Statewide Criteria

Geographic Funding Fairness

Statewide Corridor List Development Process

Issues Considered

- Work group began analyzing CGWG corridor segment ranking criteria

- CGWG criteria were categorized as:
  - Traffic Engineering Issues
  - Financial Issues
  - Special Significance Issues
  - Connectivity Issues

Statewide Corridor List Development Process

- ***Traffic Engineering Issues***
  - Traffic Volumes
  - Vehicle Miles of Travel
  - Travel Time/Delay
  - Level of Service/Capacity /Access Management
  - Safety
  - Percent of Trucks

Statewide Corridor List Development Process

- ***Financial Issues***
  - Economic Development
  - Leveraging and/or Tolls
  - Benefit–Cost

Statewide Corridor List Development Process

- ***Special Significance Issues***
  - International Traffic/Ports of Entry
  - Military or National Security Installations
  - Tourism and/or Recreational Areas
  - Major Freight Routes
  - Air Quality/Conformity

Statewide Corridor List Development Process

- ***Connectivity Issues***
  - Closing System Gaps
  - Connect with Principal Roadways from Adjacent States
  - Intermodal Connectivity
  - Fit with Other TxDOT Development
  - Maximize the Use of Existing Transportation System

Statewide Corridor List Development Process

Local vs. Statewide Criteria

- Iterative process
- Found it more difficult to rank metropolitan corridor segments statewide than to rank statewide connectivity corridor segments
- Group agreed each TMA could develop a specific list of criteria for prioritizing its own corridor segments.

Statewide Corridor List Development Process

Geographic Funding Fairness

- Recognized importance of ensuring each TMA would receive equitable funding
- Developed criteria to determine funding allocation targets for each metropolitan area
- Allocation targets used to determine fiscal constraints for each area

Statewide Corridor List Development Process

Geographic Funding Fairness

- Work group consensus on criteria to identify funding allocation targets:
  - Truck VMT (14.06%)
  - Population (22.19%)
  - Centerline Miles (0.93%)
  - Lanes miles of on-system roads (16.88%)
  - Fatal and incapacitating crashes (6.72%)
  - Percent of population under the federal poverty level (7.04%)
  - Total VMT (on and off system) (32.63%)

Statewide Corridor List Development Process

Geographic Funding Fairness

- Criteria and weighting percentages result of work group's cooperation:
  - Specific criteria selected by rounds of straw poll votes
  - Voting members submitted preferences for weighted values
  - Facilitator determined average and median values of submitted weights
  - Group agreed to use the mean values

Corridor List Recommendation

Background

- Maintained goal to develop corridor segment list appropriately representing the needs of each TMA in the state
- Number of projects in each TMA ranges from just a few to dozens
- Protects smallest TMAs with fewest numbers of projects

Corridor List Recommendation

Format List Explanation

- 15-increment prioritized list of corridor segments
- Three 5-increment groups
- 5-increment groups ensure each TMA will have projects let in each three-group period
- Each area would have at least one project in the first 1/3 of the programming period

Corridor List Recommendation

Format List Explanation

- Funding target of about $10B for the 15-increment period
- 5-increment corridor segment groups are balanced statewide in terms of anticipated funds available
- List balances TMA project priorities and available funding
- Group worked cooperatively moving projects among years to achieve fairness goals

Recap

14.06%	Truck VMT
22.19%	Population
0.93%	Centerline Miles
16.88%	Lane Miles of On-System Roads
6.72%	Fatal & Incapacitating Crashes
7.04%	Percent of Population Under the Federal Poverty Level
32.63%	Total VMT (On- & Off-System)

APPENDIX B

TxDOT
UTP Category 3

Urban Area (Non-TMA)
Corridor Projects

Workshops

Category 3 Parameters

Urban Area (Non-TMA)
50,000 – 200,000 population
17 in Texas

- Abilene
- Amarillo
- Brownsville
- Bryan-College Station
- Harlingen-San Benito
- Killeen-Temple
- Laredo
- Longview
- Midland-Odessa
- San Angelo
- Sherman-Denison
- Beaumont-Port Arthur
- Texarkana
- Tyler
- Victoria
- Waco
- Wichita Falls

Work Group Membership

- 14 of the 17 Non-TMAs had one representative in the Category 3 work group
- Each TxDOT District in which a Non-TMA urban area is located had a representative
- Other TxDOT divisions and offices also had representation on the work group

Work Group Membership

- Additional appropriate staff from local entities attended to participate in discussions and provide necessary information
- Voting members could have proxies represent them

UTP Category 3 Work Group Charge

A charge was developed for the workgroup prior to its first meeting

1. Identify and review existing and currently proposed priority corridors
2. Apply weighting factors to the corridor selection criteria
3. Document criteria weighting rationale
4. Determine corridor prioritization eligibility

UTP Category 3 Work Group Charge

5. Score each eligible priority corridor
6. Rank prioritized eligible corridors
7. Prioritize eligible mobility projects that fit the Statewide Connectivity Corridor
8. Review regional funds distribution
9. Prepare draft report of recommendations for review and final approval by the Texas Transportation Commission

Workshops

July 2002 – March 2003

Eight Workshops

Six devoted to criteria development and percentages

Last two focused on project prioritization

Consensus-based discussion

Criteria Development

Workgroup decided to begin with criteria developed by the CGWG

- **Traffic Engineering**
- **Financial**
- **Special Significance**
- **Connectivity**

Criteria Development

Sub-committees formed for each category

Data gathering and communication between meetings

Facilitators acted as conduit for questions and information

Criteria Development

Traffic Engineering Issues

Average Daily Traffic
Annual Average Daily Traffic
Lane Miles
VMT per Lane
LOS
Travel Time
Capacity
Safety
Percent Trucks

Criteria Development

Financial

Local Funding/Leveraging
Economic Development
Benefit/Cost Ratio
Construction Costs
Poverty Rates
Enterprise Zones

Criteria Development

Special Significance Issues

International Traffic/Ports of Entry
Military/National Security Installations
Tourism/Recreational Areas
Major Freight Routes
Hazardous Cargo Routes
Air Quality/Conformity

Criteria Development

Connectivity Issues

Closing system gaps

Connect with principal roadways from adjacent states

Intermodal connectivity

Fit with other TxDOT development

Maximize the use of existing transportation system

Criteria Development

Vigorous discussion in each workshop

- Statewide perspective
- Fairness to all
- Data requirements
- Intellectual rigor

Consensus reached on criteria, variables, and weighting, either verbally or through straw polls

Equation built iteratively by the workgroup

Deadline pressures

Criteria Development

Final Criteria and Weights

Total VMT	22%
Truck VMT	15%
Population	26%
Centerline miles	6%
Lanes miles (On-system)	11%
Fatal and incapacitating crashes	11%
Percent population under federal poverty level	9%

Corridor List Recommendation

Background

The work group maintained a goal of developing a list of corridor segments appropriately representing the needs of each urban area (non-TMA) in the state

The number of projects in each ranged from a few to several

Workgroup agreed that no area should have to wait beyond the first increment of the programming period to let its first project

Corridor List Recommendation

Explanation of List Format

The work group decided to develop a 15-increment prioritized list of corridor segments grouped in three 5-increment groups.

5-increment groups ensured that each urban area would have some of its corridor segments let in each of the three groups.

Corridor List Recommendation

Explanation of List Format

TPP staff provided a funding target of approximately $1.7 billion for the 15 increments.

Each 5-increment group of corridor segments was balanced in terms of anticipated funds available.

Corridor List Recommendation

Explanation of List Format

The list attempted to balance each urban area's project priorities and the available funding.

In creating the project list, the workgroup worked cooperatively by moving projects among the years to achieve fairness goals and stay within the funding targets.

Final Criteria and Weights

UTP Category 3

Total VMT	**22%**
Truck VMT	**15%**
Population	**26%**
Centerline miles	**6%**
Lanes miles (On-system)	**11%**
Fatal and incapacitating crashes	**11%**
Percent population under federal poverty level	**9%**

APPENDIX C

TEXAS DEPARTMENT OF TRANSPORTATION
ROW DIVISION

PROCEDURAL GUIDE
DISTRICT FORECASTING OF STRATEGY 102 EXPENDITURES

PREPARATION:

Prepared For:	TxDOT District ROW Administrators
Prepared By:	Gus Cannon, Resource Mgmt. Sec. Director – ROW Div.
Original Preparation:	April 9, 2001
Original Effective:	April 9. 2001
Latest Revision:	April 17, 2003
Revisions Effective:	April 17, 2003

DISCUSSION:

Sound business practice requires District ROW Administrators to become involved in the forecasting of Strategy 102 expenses early in the development stages of a transportation project. District projections of the expected costs that will track to Strategy 102 can and should be adjusted at the time the ROW Project is released. As the project progresses, continuous monitoring of the Strategy 102 expenses is needed. The ROW estimate can be increased or decreased by sending a letter to the ROW Division Director stating the amount of the increase/decrease and supplying detailed discussion as to the need for the action.

In summary, this procedural guide is revised from its original April 9, 2001 publication to update and reinforce general methodology in budgeting and forecasting of district Strategy 102 expenses.

PURPOSE:

For the foreseeable future, there will be continued demand for new and improved roadways in every section of the state, accompanied by tightening budget constraints. This equates to the need for a continuing micro-level review by districts of their Strategy 102 forecasts. The ability to forecast Strategy 102 expenditures can only start on a parcel by parcel basis. Average costs and historical district trends are important considerations but cannot and should not replace parcel by parcel analysis. The purpose of this guide is to put forth and reinforce basic procedural guidelines to aid district personnel in forecasting Strategy 102 costs at the most finite levels possible.

PROCEDURAL GUIDE:

In the Financial Information Management System (FIMS) "function codes" are used to describe what activity is performed in the payment of an expense. An "object of expenditure" is best defined in FIMS as the type of service or good that is purchased.

When forecasting Strategy 102 expenses, the district should take into account all applicable function and object of expenditure codes. While not all-inclusive, the following table provides a general description of the function and object codes typically used in the payment of costs that will track to Strategy 102.

Function and Object Codes of Expenditure for Strategy 102 Payments

Expense Category	Unit of Cost	FIMS Code		Description
		Function	Object	
Preliminary Engineering	Project	130	365	Environmental services (on project level)
Preliminary Engineering	Project	130	421	Surveys (ground or aerial)
Preliminary Engineering	Project	130	423	Engineering services other than survey; i.e., SUE payments on a project level
Preliminary Engineering	Project	130	451	Expert witness (use 490) for non-expert witness)
Acquisition	Parcel	400	336	Land purchases for right of way
Acquisition	Parcel	400	365	Environmental services (on a parcel level)
Acquisition	Parcel	400	408	Court reporter fees
Acquisition	Parcel	400	421	Technical experts for ground and aerial surveys
Acquisition	Parcel	400	423	Engineering services other than survey; i.e., SUE payments on a parcel level
Acquisition	Parcel	400	431	Appraisal
Acquisition	Parcel	400	437	Legal and court costs
Acquisition	Parcel	400	438	Title costs and costs of filing official documents
Acquisition	Parcel	400	439	Fees and special costs not otherwise classified
Acquisition	Parcel	400	451	Expert witness (use 490 for non-expert witness)
Acquisition	Parcel	400	470	Contracted hazardous/toxic waste disposal
Relocation	Parcel	410	392	Relocation assistance payments
Utilities	Parcel	500	393	Utility adjustments
Outsourcing	Project	600	425	Right of way and utility operation expense (professional service contracts)

Source: TxDOT FIMS Function and Object Code Charts

Development of an EXCEL spreadsheet or an ACCESS database is all that is needed for districts to begin the process of detailed forecasting analysis. Regardless of the software used, the end result is only as good as the data input into the system. As previously stated, using averages and historical district trends are important considerations but cannot and should not replace parcel by parcel analysis. The initial step in your forecast is to list every individual parcel in the pending project. Then it becomes a matter of estimating Strategy 102 costs by each applicable function and object of expenditure.

Begin with projected preliminary engineering costs that will track to Strategy 102 through the Area Engineer's Office under Function 130 and Object of Expenditure 365, 421, 423 and 451. You should consult your Area Engineering Office about their projections of preliminary engineering costs for the each project generating Strategy 102 costs.

Next, move to the acquisition expense category covered by Function 400 and Objects of

Expenditure 336, 365, 408, 421, 423, 431, 437, 438, 439, 451 and 470. The review of historical information in your district files can help you establish reasonable ranges in which these costs should fall, but it does not and can not replace parcel by parcel review.

Other expense categories that should be reviewed are relocation, Function 410 and Object of Expenditure 392 and the utilities expense category, Function 500 and Object of Expenditure 393. If you have budgeted for the use of a Right of Way Acquisition Provider Service company, the cost of these professional services must also be considered. These figures can be obtained by contacting the ROW Division.

An example of a spreadsheet for a simple 10-parcel project follows. The first column shows units costs with an abbreviation of PR (based on a project as the unit of cost) or PL (cost based on a parcel as the unit of cost).

Example of Spreadsheet Format used in Forecasting Strategy 102 Expenses

Unit of Cost	Preliminary Eng. Function 130				Acquisition Function 400											Relocation Function 410	Utilities Function 500	Outsourcing Function 600	
	Object 365	Object 421	Object 423	Object 451	Object 336	Object 365	Object 408	Object 421	Object 423	Object 431	Object 437	Object 438	Object 439	Object 451	Object 470	Object 392	Object 393	Object 425	Comments
PR	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	As needed
PL1	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	As needed
PL2	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	As needed
PL3	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	As needed
PL4	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	As needed
PL5	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	As needed
PL6	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	As needed
PL7	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	As needed
PL8	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	As needed
PL9	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	As needed
PL10	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	As needed
Totals	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	$	

District monitoring of Strategy 102 costs should be constant. As actual costs replace projected costs, revise your spreadsheet to reflect the changes as they occur. Keeping your spreadsheet or database up to date will allow the district to know when to send a letter to the ROW Division requesting an increase/decrease in the project's ROW budget, and will allow preparation of quarterly budget revisions in an efficient manner.

Annual district forecasts of Strategy 102 expenditures (on a quarterly basis) should be submitted on July 1st of every year, for the next fiscal year beginning September 1st. As a new fiscal year begins, districts may revise their remaining quarterly forecasts as shown in the following table.

Date Due	Report Due
Jul. 1st	District annual forecast of Strategy 102 expenditures for the next fiscal year.
Oct. 1st	District revisions for 2nd, 3rd and 4th quarters of current fiscal year.
Jan. 1st	District revisions for 3rd and 4th quarters of current fiscal year.
Apr. 1st	District revisions for 4th quarter of current fiscal year.

APPENDIX D

Lump Sum Distribution for Categories 2 & 3

The Work Group Plan

May 2, 2006

Lump Sum Distribution – What's the Plan?

- Develop Strategic Approach for policy and procedures
- Districts and MPOs review and provide comment
- Consensus
- Administration and Commission review
- Revisions?
- Implement lump sum distribution

Lump Sum Distribution – What's the Plan?

- What is needed:
  - Determine amount of ROW/consultant dollars to allocate
  - Determine allocation method
  - UTP Category 2 and 3 annual process with TPP:
    - Schedule each area's use of the allocation
    - Track actual use of the dollars and balance future scheduling with past obligations
  - Districts to educate MPOs on the use of its area's allocation and what can be accomplished with the funds

APPENDIX E

Metropolitan Area (TMA) Category 2 Projects

Funding Target Formula

- 32.50% Total VMT (on and off State Hwy System)
- 22.19% Population
- 16.88% Lane miles (on System)
- 14.06% VMT (trucks only)
- 6.88% Percent population under federal poverty level
- 6.56% Fatal & incapacitating crashes
- 0.93% Centerline miles (on System)

Urban Area (non-TMA) Category 3 Projects

Funding Target Formula

- 22% Total VMT (on and off State Hwy System)
- 26% Population
- 11% Lane miles (on System)
- 6% Centerline miles (on System)
- 15% VMT (trucks only)
- 9% Percent population under federal poverty level
- 11% Fatal & incapacitating crashes

Statewide Connectivity Corridor Projects

Selections based on engineering analysis of projects on three corridor types:

- ***Mobility Corridors*** **–** *based on congestion*
- ***Connectivity Corridors*** **–** *2-lane roadways requiring upgrade to 4-lane divided.*
- ***Strategic Corridors*** **–** *strategic corridor additions to the state highway network. An example would be the Ports-to-Plains.*

APPENDIX F

Challenges To Be Addressed

The Work Group will begin to address as many of the eight individual challenges as allowable in time permitted. Challenges to be addressed are as follows:

Challenges to be Addressed:

1. **Determining the appropriate amount of right of way acquisition and consultant dollars that could be allocated by respective category to the MPOs;**

Challenges to be Addressed:

2. **Determine an allocation method;**

Challenges to be Addressed:

3. **Scheduling each area's use of the total allocation**

Challenges to be Addressed:

4. **Tracking the actual use of the dollars and balancing future scheduling with past obligations;**

Challenges to be Addressed:

5. **Educating Districts and MPOs on the use of its area's allocation and what can be accomplished with the funds;**

Challenges to be Addressed:

6. **Temporarily continuing data maintenance to fulfill legislative reporting requirements (the Department is currently working on changes to enable tracking of total project costs that should be fully implemented by summer 2006);**

Challenges to be Addressed:

7. **Investigating legal issues (contained in the Texas Administrative Code and the Texas Transportation Code); and**

Challenges to be Addressed:

8. **Developing recommendations to present to the Districts and MPO.**

APPENDIX G

URBANIZED AREA	POP	AREA	DENSITY
Abilene, TX	107,041	123,183,306	2,250.6
Amarillo, TX	179,312	191,869,273	2,420.5
Austin, TX	901,920	823,944,485	2,835.1
Beaumont, TX	139,304	210,896,368	1,710.8
Brownsville, TX	165,776	148,489,175	2,891.5
College Station--Bryan, TX	132,500	127,288,843	2,696.0
Corpus Christi, TX	293,925	285,650,962	2,665.0
Dallas--Fort Worth--Arlington, TX	4,145,659	3,644,217,906	2,946.4
Denton--Lewisville, TX	299,823	314,875,939	2,466.2
El Paso, TX--NM	648,465(PT)	528,461,265	3,178.1
Galveston, TX	54,770	31,329,844	4,527.7
Harlingen, TX	110,770	153,145,586	1,873.3
Houston, TX	3,822,509	3,354,721,332	2,951.1
Killeen, TX	167,976	165,957,328	2,621.5
Lake Jackson--Angleton, TX	73,416	87,604,879	2,170.5
Laredo, TX	175,586	110,110,429	4,130.1
Longview, TX	78,070	131,073,251	1,542.7
Lubbock, TX	202,225	192,988,298	2,713.9
McAllen, TX	523,144	812,821,746	1,667.0
McKinney, TX	54,525	70,254,693	2,010.1
Midland, TX	99,221	117,232,622	2,192.1
Odessa, TX	111,395	137,939,905	2,091.6
Port Arthur, TX	114,656	118,772,004	2,500.2
San Angelo, TX	87,969	118,121,322	1,928.9
San Antonio, TX	1,327,554	1,055,573,512	3,257.3
Sherman, TX	56,168	82,559,038	1,762.1
Temple, TX	71,937	107,081,814	1,739.9
Texarkana, TX--Texarkana, AR	48767(PT)	107,842,689	1,171.2
Texas City, TX	96,417	151,668,090	1,646.5
The Woodlands, TX	89,445	107,987,273	2,145.3
Tyler, TX	101,494	148,817,811	1,766.4
Victoria, TX	61,529	132,117,043	1,206.2
Waco, TX	153,198	180,614,619	2,196.8
Wichita Falls, TX	99,396	134,519,373	1,913.7