

Project Selection Process





Miles and miles of Texas

The Texas Department of Transportation is responsible for more than 79,000 miles of Texas highways.

A GREAT STATE REQUIRES GREAT TRANSPORTATION

Texas is famous for great roads, an efficient freight rail network, convenient air transportation and vast shipping capabilities. Texas' vast transportation system brings the world to Texas and affects our day-to-day choices about where we live, where we shop and how we access what we want. Thanks to great transportation, we can live and work where we choose, we can shop at stores and malls near and far, and we can obtain quality goods trucked in from all over the world via Mexico and Canada.

Even with all the advantages that our transportation system has to offer, it's likely that most Texans have experienced a transportation frustration – a busy intersection, a highway bottleneck, a rush hour traffic jam. When these stressful situations threaten our quality of life we are moved to take action to fix the problems. But how?

Many Ideas, Limited Funds

Each year, hundreds of highway projects enter the Texas Department of Transportation (TxDOT) project selection process. Projects may be proposed by individuals, government officials, local or regional transportation planning committees or by TxDOT itself. This publication will explain how a project, such as a roadway improvement or a new bridge, moves through the TxDOT project selection process. The process depends heavily on planning and funding. This document will show you how a project advances from idea to construction.

Simplifying the Process

Recently, TxDOT has made significant changes to the selection process to make it easier to understand. This simplification effort isn't limited to project selection - TxDOT is focused on clarifying processes in all areas of the department, from allocating funds, to measuring success, to issuing reports. While the department continues to take on smaller maintenance and improvement projects, the simplification effort includes a move to make highway improvements in continuous and complete corridors.

TxDOT: THE BASICS

TxDOT is the state agency charged with providing the safe, effective and efficient movement of people and goods. TxDOT fulfills its mission by focusing on five objectives: Reliable Mobility, Improved Safety, System Preservation, Accelerated Project Delivery and Economic Vitality.

To see that these objectives are met, TxDOT has simplified our operations to five major strategies: Plan It, Build It, Use It, Maintain It and Manage It.

HOW TxDOT IS STRUCTURED

TxDOT policies are set by the Texas Transportation Commission, a board appointed by and reporting to the governor. An executive director runs the day-to-day operations of TxDOT and reports directly to the commission. Under the executive director are 25 regional districts, 20 divisions and seven specialized offices.

TxDOT's regional districts are often the first point of contact for new transportation projects, since each district manages much of the planning, design and construction within its geographic boundaries. Based on policies established by the commission and administration, districts have the authority to make many decisions that impact local needs and priorities.

TxDOT's divisions and specialized offices develop and implement transportation policy, manage statewide programs and provide expert support and services to the districts.

Plan It



This strategy includes all of the planning and environmental design for the state's highway projects. It also supports planning for transportation modes such as rail, air, marine, pipeline, bicycle and pedestrian traffic. It includes acquiring right of way for transportation projects and providing relocation expenses when necessary. Funding and management of research programs that help save lives and money are also part of this strategy.

Build It

This strategy oversees construction projects that add capacity to the state's transportation system, either through new projects or those which supplement the existing infrastructure. Projects in this category could include widening an existing tax-supported highway or toll road, constructing a new bridge, purchasing a new ferryboat or lengthening a runway at an airport.



Use It



This strategy ensures that people are using Texas' transportation in the safest, most efficient ways. It includes issuing motor vehicle titles and registration documents, providing grants to improve public safety, supporting public transportation outside of major metropolitan areas, regulating motor vehicle dealers, preventing auto theft and providing information to the traveling public.

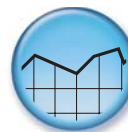
Maintain It

This strategy ensures that existing transportation investments remain safe and usable. It covers the reconstruction, rehabilitation and maintenance of the state highway system, maintenance of highway signals and signage, support of the Gulf Intracoastal Waterway and operation of the ferry systems at Galveston and Port Aransas. It also includes emergency repair and restoration of damaged structures on the state highway system.

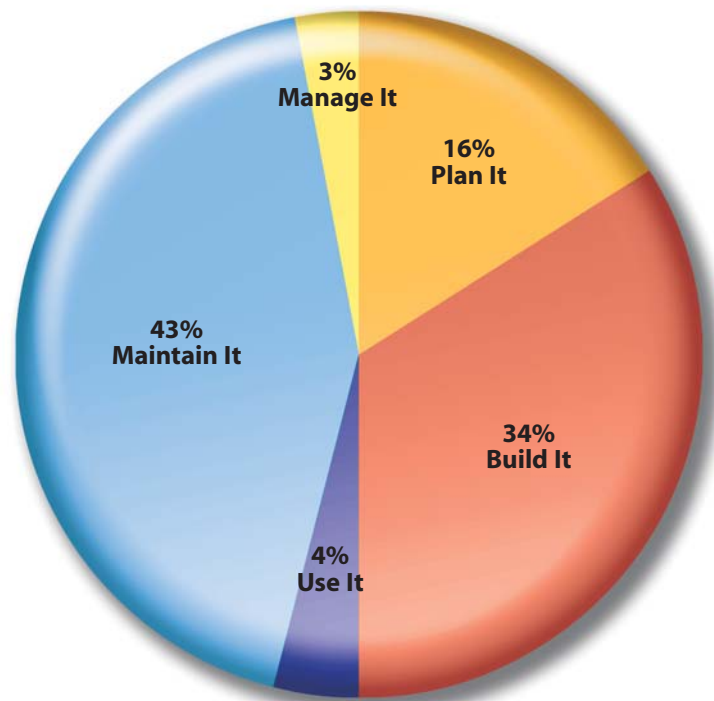


Manage It

This strategy covers administration, human resources, information resources, purchasing, training, fiscal services, legal services, occupational safety and other management services.



Texas spends more than \$5 billion each year on transportation projects. The money is allocated like this:



TxDOT, FY 2002-03 Budget

TxDOT BY THE NUMBERS

1917
The year TxDOT was established

899
The longest Texas highway in miles (US 83)

79,361
Total road miles maintained by TxDOT

24,869
Lane miles of highway receiving pavement improvements annually

300
Airports in the Texas Airport System

428,868,139
Average daily vehicle miles traveled on the state system

18,707,486
Number of motor vehicles registered in Texas

835
Picnic and safety rest areas in Texas

423
Miles of Gulf Intracoastal Waterway

3,624
Volunteer groups adopting a highway

1,100,000
Estimated acres of highway system right of way

285,466,576
Riders on public transit systems in Texas

4,726,157
Tons of recycled materials used in Texas highway construction

133,893
Specialty license plates issued annually

15,316
Traffic signals maintained by TxDOT

48,281
Total bridges maintained by TxDOT

THE PROJECT SELECTION PROCESS

ALLOCATION PROGRAM

TxDOT gives each district, and in some cases divisions, a set amount of money to select and fund certain types of local and regional projects. This delegated funding method allows districts and divisions flexibility to meet local needs.

THE UTP: UNIFIED TRANSPORTATION PROGRAM

The Unified Transportation Program (UTP) is a 10-year statewide plan for transportation project development. This plan is updated annually by the Transportation Planning and Programming Division and approved by the commission. The UTP sets policies that guide the funding of thousands of transportation projects. TxDOT recently reduced the number of funding categories in the UTP to simplify the process and encourage public participation.

There are a variety of ways that transportation projects can be selected. Projects involving local roads or improvements to existing highways are generally selected by TxDOT's districts and divisions. The majority of the state's transportation programs are determined by local officials or TxDOT's districts.

Each year, major projects that improve mobility or safety are selected by the commission as part of the Unified Transportation Program (UTP). These high-cost projects must compete with similar projects from all over the state to receive funding. Due to project planning and development requirements, the commission selects projects up to four years in advance based on anticipated funding.

Obtaining funds for projects is an ongoing process. Each project goes through three authorization stages: planning, development and construction. Since projects are authorized in multiple stages, a project will first receive approval for its planning phase. Once development is complete, the project must go through another approval process to receive funding for construction.



There are five typical steps in the project selection process:

1. A Need is Identified

Every project starts with an idea or need. The impetus for a project can come from any number of sources at the community, state or federal level. Once a need has been identified, project supporters usually approach TxDOT's local district office or their local Metropolitan Planning Organization (MPO). Local authorities are especially familiar with the unique demands of their area and with the needs of the people who live there.

2. Building a Successful Proposal

At the local level, the public and TxDOT district employees evaluate the project and work together to develop a strong proposal to gain funding and support. Local transportation professionals, including engineers, planners and environmental specialists, evaluate the project's viability and environmental implications. Different solutions are evaluated and costs are

estimated. As the proposal is created, the project's supporters work to gather broad-based community support for their idea.

Early in the planning process, the district staff devises a funding strategy for the suggested project. The availability of funding is a major factor in determining whether a project is selected. Projects can be financed through a number of sources, including local, state or federal funds. Many projects are funded through a combination of resources.

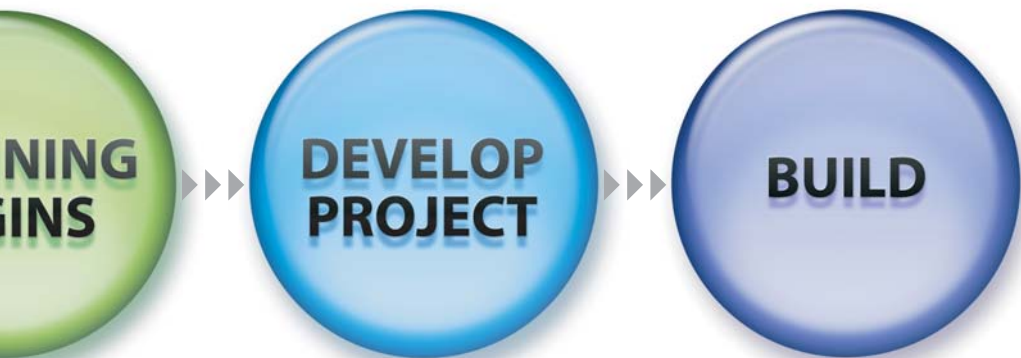
State Funding

TxDOT recently streamlined project funding categories to simplify the project selection process. The department has reduced the number of funding categories from 34 to 12. Projects now fall under the Statewide Preservation Program (SPP), which is supported by the department's Maintain It strategy, or the Statewide Mobility Program (SMP), which is supported by the Build It strategy.

MPOs: METROPOLITAN PLANNING ORGANIZATIONS

Working in partnership with TxDOT, Metropolitan Planning Organizations (MPOs) help create long-term and short-term plans for effective transportation in and around urbanized areas. In addition to planning, MPOs authorize the use of certain federal funds in their areas and make project recommendations to the commission.

MPOs are made up of representatives from various organizations. Members often include local officials, transit officials and state legislators. Though membership varies from MPO to MPO, all MPOs take their authority from federal transportation legislation. This legislation empowers MPOs to serve as a critical gateway for local participation in transportation planning and decisions. There are currently 25 MPOs in Texas, and they control hundreds of millions of dollars in funding each year.



Determining funding sources can be a complicated process for any project. This chart provides a general overview of the TxDOT funding categories. Local TxDOT district offices are experienced with project funding and can offer more detailed information specific to a project.

FUNDING AT A GLANCE

	FUNDING CATEGORY	STARTING POINT	PROJECT SELECTION	USUAL FUNDING
Maintain It	Preventive Maintenance and Rehabilitation	TxDOT District	Projects selected by districts.	Federal 90% State 10% or Federal 80% State 20% or State 100%
	Structures Replacement and Rehabilitation	TxDOT District	Commission approves projects statewide on a cost-benefit basis using the Texas Eligible Bridge Selection System (TEBSS).	Federal 80% State 20% or Federal 80% State 10% or Local 10% or State 100%
	Safety Federal Hazard Elimination Program and Federal Railroad Safety Signal Program	TxDOT District	Projects selected statewide by federally mandated safety indices and prioritized listing. Commission allocates funds to districts.	Federal 90% State 10% or State 100%
Build It	Metropolitan Area Corridor Projects	TxDOT District	Commission approves projects in corridors. Projects scheduled by consensus of districts.	Federal 80% State 20% or State 100%
	Urban Area Corridor Projects	TxDOT District	Commission approves projects in corridors. Projects scheduled by consensus of districts.	Federal 80% State 20% or State 100%
	Statewide Connectivity Corridor Projects	TxDOT District	Commission approves projects in corridors. Projects scheduled by consensus of districts.	Federal 80% State 20% or State 100%
	Congestion Mitigation and Air Quality Improvement	MPO	Projects selected by MPOs in consultation with TxDOT and the Texas Commission on Environmental Air Quality and funded by districts. Commission allocates money based on population percentages within areas failing to meet air quality standards.	Federal 80% State 20% or Federal 80% Local 20%
	Metropolitan Mobility/ Rehabilitation	MPO	Projects selected by MPOs in consultation with TxDOT and funded by district's Allocation Program. Commission allocates money based on population.	Federal 80% State 20% or Federal 80% Local 20% or State 100%
	Transportation Enhancements	TxDOT District	Local entities make recommendations and a TxDOT committee reviews them. Projects selected and approved by commission on a per-project basis.	Federal 80% State 20% or Federal 80% and Local 20%
	Supplemental Transportation Projects State Park Roads, Railroad Grade Crossings, Replanting, Railroad Signal Maintenance, Construction Landscaping	TxDOT District, Texas Parks and Wildlife Department, Other (federal allocation)	Projects selected statewide by Traffic Operations Division or Texas Parks and Wildlife Department, local projects selected by districts. Commission allocates funds to districts or approves participation in federal programs with allocation formulas.	State 100% or Federal 80% State 20% or Federal 100%
	District Discretionary	TxDOT District	Projects selected by districts. Commission allocates money through Allocation Program.	Federal 80% State 20% or Federal 80% Local 20% or State 100%
	Strategic Priority	Commission	Commission selects these projects on a project-specific basis.	Federal 80% State 20% or State 100%

Maintain It. These categories are part of the SPP — Statewide Preservation Program

Build It. These categories are part of the SMP — Statewide Mobility Program

Federal Funding

Federal funds come from the Highway Trust Fund, a pool of money generated by gas and related taxes from all fifty states and commonwealths of the United States. As a “donor” state, Texas receives less than a dollar back for each dollar sent to the Highway Trust Fund.

Money from the Highway Trust Fund is allocated to TxDOT based on formulas established by federal transportation legislation. The distribution of these federal funds throughout the state is based on criteria approved annually by the Texas Transportation Commission (commission).

3. Planning Begins

Once a proposal is supported at the district level or by an MPO, it competes with similar projects for funding. Project selection authority rests with the commission and local officials. Because projects are often funded through a combination of funding categories at a variety of authority levels, funding can be a complex juggling act.

Each year, the bulk of TxDOT’s budget funds projects through a comprehensive plan called the Unified Transportation Program (UTP). With the UTP, the commission establishes the criteria and standards for different kinds of projects, thus relieving the commission of the task of approving thousands of projects individually.

A small percentage of TxDOT’s budget is left to the discretion of the commission. In evaluating which projects will receive this limited money, the commission takes into account whether a project has gained local support and if local funds have been set aside to aid in the project’s completion. In addition, the commission considers the recommendations of MPOs and TxDOT’s experienced engineers. In all cases, the commission attempts to advance — or “let” —

those projects that will do the most good to help the people of Texas.

4. Project Development

Building a highway, bridge or other major transportation improvement is a complex, long-term process that involves the participation of both transportation professionals and the public. Local priorities — determined in communities throughout Texas — form the basis for how projects move through the TxDOT selection process.

Public involvement is a critical part of the development process. Transportation planning, design and right-of-way acquisition are all primarily accomplished locally by TxDOT districts working with city and local officials. During this process, numerous public hearings and meetings give citizens many opportunities to offer input and be involved in decision-making.

Depending on a project’s size and scope, project development can take many years. Once authorized by the commission, a project goes through an in-depth development phase that includes advanced planning, environmental planning and documentation and preliminary engineering. When planning and development are completed, the project must go through contract approval before it can be built. The commission makes the final decision authorizing construction, based on the availability of funds and local priorities.

5. Construction

Construction contracts are awarded through a competitive bidding process, and the lowest approved bid is submitted to the commission for approval. After the bid gains final approval, construction begins. Once a project is fully underway, construction oversight and maintenance are accomplished at the district level.

FEDERAL TRANSPORTATION LEGISLATION

Federal transportation legislation authorizes the development and construction of federal aid projects, including the Interstate Maintenance Program and the National Highway System Program. Historically, Texas has received approximately \$2 billion each year from the federal Highway Trust Fund, which is a return of about 86 cents for each dollar Texas contributes. The United States Congress is expected to pass new legislation in 2003. Texas leaders have requested that Congress send our state a higher rate of return on its gas tax dollars, streamline the delivery of large projects and allow states the authority to establish tolls for portions of the interstate system.

THE FUTURE OF PROJECT DEVELOPMENT

COMPREHENSIVE DEVELOPMENT AGREEMENT

Comprehensive Development Agreement (CDA) is a contract between TxDOT and a consortium of designers, engineers and construction contractors. The consortium may perform any or all of the design, construction, operation, maintenance or financing for a transportation project. Based on a project's overall needs, competing consortiums submit proposals and TxDOT selects the one offering the best long-term value for the state.

CDAs accelerate needed highway improvements by allowing the state to hire one entity to do all the work on a project — much of it simultaneously — rather than the traditional process in which the state divides project development into separate phases. SH 130 is an example of a highway being built under a CDA.

In Texas, current identified transportation needs exceed available funding by three to one. Traditional, tax-based methods of financing roads are no longer sufficient to handle the state's transportation needs in a timely fashion. The future depends on funding tools that maximize budgets by using strategic partnerships with local communities and private businesses. In the past, Texas highways have been funded by a combination of federal, state and local funds. In the future, roads also will be paid for with tolls and bonds.

The following represent some innovative concepts and projects that will keep Texas' transportation systems one of the safest, most efficient in the world.

Trans Texas Corridor

The Trans Texas Corridor is the prototype for an innovative transportation network that will allow for faster movement of people and freight. This proposed 4,000-mile

corridor will provide separate highway lanes for passenger vehicles and trucks; rail facilities for high-speed passenger, freight, and commuter trains; and a dedicated utility zone for water, electricity, petroleum and data transmission.

The goal of this project is to keep Texas' economy vibrant by creating new jobs and supporting Texas' role as a crucial conduit for national and international trade. It will relieve congested roadways, keep hazardous materials out of populated areas, improve air quality by reducing emissions in urban areas and provide a safer, more reliable utility transmission system.

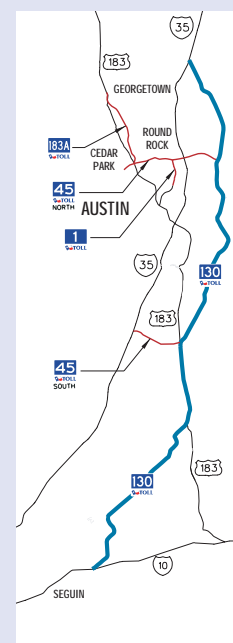
Conceptual corridor routes will run roughly parallel to existing roadways. Priorities will include linking Denison to the Rio Grande Valley (I-35), northeast Texas to Laredo via Houston (I-69), Dallas-Fort Worth to Houston (I-45) and El Paso to Orange (I-10).

A REAL-WORLD EXAMPLE: SH 130

More than ever, local traffic, long distance motorists and truckers compete for space on Interstate 35 between Austin and San Antonio.

One solution to escalating traffic congestion lies in SH 130, a 90-mile stretch from I-35 north of Georgetown to I-10 in Seguin. To accelerate completion of the new roadway, TxDOT awarded its first Comprehensive Development Agreement to Lone Star Infrastructure to design, build, maintain and partially finance the project.

Conservatively, planners estimated it would take close to 20 years to build this project using traditional funding sources. To speed project development, SH 130 will be financed as a toll road. Funding the project with the sale of bonds means SH 130 and other sections of the Central Texas Turnpike Project can now be completed in less than half the time. Design, right-of-way acquisition and construction are currently underway.



Regional Mobility Authorities (RMAs)

Regional Mobility Authorities (RMAs) construct, maintain and operate turnpike projects. RMAs give local governments more control over the highway facilities within their jurisdiction and generate new revenue streams for projects.

One or more counties may create an RMA by sending a request to the commission. Generally, approval will be based on sufficient public support and on an assessment of how a turnpike project might improve mobility in the region. Once created, an RMA is managed by a locally appointed board of directors and a chairperson appointed by the governor.

RMAs receive funding for initial project development from the sale of bonds. They may also seek a loan or grant from TxDOT. Any surplus revenue generated by an RMA can be used to reduce tolls, fund other transportation projects within the region or enhance the Texas Mobility Fund.

Texas Mobility Fund

Approved in 2001 by Texas voters, the Texas Mobility Fund allows the state to issue bonds to accelerate the construction of major transportation projects. In 2003, the Texas Legislature began the process to capitalize the fund.

Toll Equity

Toll equity allows state highway funds to be combined with other funds to build public and private toll roads. By issuing loans and grants, TxDOT can participate in the acquisition, construction, maintenance or operation of a toll road built by an RMA, an existing toll authority or private-sector investor. The organization building the road then issues debt to finance the remaining cost of the project, saving TxDOT the cost equal to that debt.

The primary purpose of toll equity is to make the best use of TxDOT funds by leveraging other sources of project funding, particularly proceeds from bonds. The money that TxDOT saves can then be used for other needed projects.

Pass Through Toll Authority

Pass through toll authority allows toll fees to be paid by TxDOT (or another government agency) instead of by individual motorists. As with a traditional toll road, a fee is incurred for each vehicle that drives on the

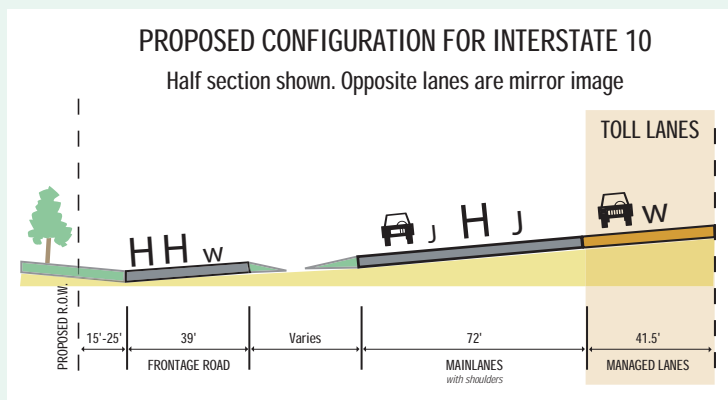
road. TxDOT pays the tolls for all of the vehicles on a weekly, monthly or yearly basis to a private company that built and maintains the road.

Pass through toll authority is a cost-effective way to support private-sector road construction without placing a financial burden on motorists. Because TxDOT doesn't pay the tolls until after the road is built and vehicles are actually using it, this strategy alleviates the initial investment and maintenance costs associated with highway construction.

INNOVATIVE FUNDING MEANS A FASTER SOLUTION: THE KATY FREEWAY

On March 14, 2003, the Federal Highway Administration approved plans to rebuild the Katy Freeway — a 10-mile segment of I-10 in west Houston that will become Texas' first tolled interstate highway. Currently, more than 207,000 vehicles use the 35-year-old freeway each day, and congestion is a constant problem. With the new design, commuters will have the choice of using one of eight free, general-purpose lanes or paying a toll to use one of four toll lanes.

Innovative financing is an integral part of the Katy Freeway solution. The project is using a toll equity plan that combines state and federal funds with money from the Harris County Toll Road Authority (HCTRA). Planners predict that the project will be completed in five to six years — half the time it would have taken under traditional financing methods. In addition, acceleration of the project will generate an estimated \$65 million in savings to taxpayers for construction costs.



PROJECT SELECTION: PUTTING GREAT IDEAS IN MOTION

Understanding TxDOT's project selection process gives Texans insight about the roads we drive everyday. Learning how projects are prioritized and how funding is structured lets Texans know they can participate in the process, make suggestions and propose changes when they encounter a transportation problem.

By working with local officials and simplifying the business process, TxDOT has made great progress in streamlining project selection. Even so, for projects ranging from local road improvements to huge corridors, the road from idea to usable structure is not always a direct one. Projects must endure the twists and turns of collaboration and public preference. They have to survive the bumps

of criticism and revision. While the journey can seem difficult, thorough planning and development help ensure that transportation improvements will enhance the quality of life for Texans.

Because budgets are limited and projects are many, TxDOT continues to seek innovative, creative ways to stretch funds farther and do the most good for the people of Texas. In the years to come, TxDOT will continue to choose projects that provide comfortable, safe, durable, cost-effective, environmentally sensitive and aesthetically appealing transportation modes that allow Texans and visitors to our state to efficiently go where their jobs and interests take them.

For more information, contact your local TxDOT district office. You'll find a complete list of contact information on our web site at: <http://www.dot.state.tx.us/localinfo/localinfo.htm>



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