



# ALAMO RMA

Alamo Regional Mobility Authority

"Moving people faster"

**BOARD MEETING**  
**Thursday, July 23, 2015 3:00 p.m.**  
**San Antonio River Authority, Board Room**  
**100 E. Guenther Street**  
**San Antonio, Texas 78204**

## **Minutes**

1. **Call meeting to order.** Chairman Clamp called the meeting to order at 3:07 p.m. Members present: John Clamp, Gavino Ramos, Ramiro Cavazos, Lou Miller, and John Montford. Members absent: David Starr

2. **Approval of minutes from the Regular Board of Directors Meeting of May 21, 2015.**

**G. Ramos made motion to approve the minutes as presented to the Board of Directors. R. Cavazos seconded the motion. All voted in favor.**

3. **Executive Director's Report.** David Smith presented

### **A. Monthly Status Report on General Engineering Consultant (GEC) Work Authorizations**

For the month of June, work was performed on Work Authorization (WA) Number 1 with Pape Dawson Munoz.

- **Work Authorization No. 1:** Parking Feasibility Study:
  1. Completed the data collection and feasibility analysis
  2. Prepared the draft Parking Feasibility Study report
  3. Met with staff to discuss the initial findings of the report

For the month of June, work was performed on Work Authorization (WA) Number 2 with HNTB.

- **Work Authorization No. 2:** Public Involvement Support:
  1. Prepared the media release for the US 281 Final Environmental Impact Statement Notice of Availability

### **B. Monthly Update on US Hwy 281 Environmental Impact Statement**

- **Work Authorization No. 4B:** Design Schematic for the Preferred Alternative and Environmental Impact Statement:
  1. Continued project management and coordination tasks during the Final EIS Notice-of-Availability period
  2. Revised and submitted the draft Record of Decision

### **C. Monthly Update on Loop 1604 Environmental Assessment**

- **Work Authorization No. 5:** Environmental Assessment:
  1. Continued the Noise Analysis
  2. Continued the Mobile Source Air Toxics Analysis
  3. Continued the Biological Assessment
  4. Continued project management, coordination and administration tasks

### **D. Monthly Financials for May and June 2015**

- Monthly financial statements are attached for May and June, including the following:
  1. Balance Sheets
  2. Statement of Revenues, Expenses, and Changes in Net Assets
  3. Statement of Revenues and Expenditures
  4. Project Costs (Capitalized and Non-Capitalized)

The report was accepted by the Board of Directors as presented.

4. **Approval of the 2<sup>nd</sup> and 3<sup>rd</sup> Quarterly Investment Reports for FY 2015 in accordance with Section 2256.023 (a) of the Texas Public Funds Investment Act.** Seth McCabe with Bexar County presented

Section 2256.023 (a) of the Texas Public Funds Investment Act (PFIA) requires that investment reports be filed with the governing body on a quarterly basis each fiscal year.

In your packets are attached the quarterly investment reports for the 2<sup>nd</sup> and 3<sup>rd</sup> quarter of FY 2015.

Question by J. Clamp: What is the average principle for both?

Response by S. McCabe: During the second quarter that was \$17.9 million and in the third quarter \$21.6 million.

Question by R. Cavazos: The revenue we are receiving, tell us again the formula?

Response by S. McCabe: It's a \$10 registration fee per vehicle that the Alamo RMA is collecting. Most of the money in the bank that is being invested is vehicle registration fee revenue that we had last fiscal year as well as the \$13 million that David Smith just spoke about so its building up in the bank balances so that's why we are seeing the increase from \$17 to \$21 million.

Response by D. Smith: What Seth is implying to the Board that if you approve the depository contract you get a much longer guarantee rate.

**R. Cavazos made the motion for the approval of the 2<sup>nd</sup> and 3<sup>rd</sup> Quarterly Investment Reports. G. Ramos seconded the motion. All voted in favor.**

5. **Approval of the Banking Service Provider Agreement between the Alamo Regional Mobility Authority and Generations Federal Credit Union.** S. McCabe presented

On May 21, 2015, the Alamo RMA Board selected Generations Federal Credit Union as its banking service provider. This item presents to the Board the negotiated agreement based on the Board's direction.

The agreement includes the following highlights:

- Official begin date of September 1, 2015 through August 31, 2017
- Initial two-year term with one one-year extension option
- Guaranteed 35 basis point earnings rate on the sweep account
- 102% collateral requirement

Question from J. Clamp: And the index again was primary?

Response from S. McCabe: Generations Federal Credit Union (Generations FCU) is actually here today to answer your question.

Question from S. McCabe to Generations FCU representative: What is the index you are using for the sweep account?

Response from Generations FCU representative: As you mentioned it is set at 35 basis points it's not variable off of any sort of index. We are locking into the 35 basis points.

Response by S. McCabe: When we spoke to Generations FCU they looked at all the market interest rates and it's not a specific one they put it up against. They looked at the treasury and also other interest rates in the market so they will be benchmarking off of that and setting that on a daily a month basis but the floor is the 35 basis points.

**R. Cavazos made the motion for approval of the Banking Service Provider Agreement with Generations Federal Credit Union. J. Montford seconded the motion. All voted in favor.**

**6. Discussion of the 2015 Legislative Session and Proposition 7.** Brian Cassidy with Locke Lord, LLP presented

Locke Lord, LLP presented a brief overview of the 84<sup>th</sup> Legislative Session as it pertains to Texas Transportation Legislation. Brian hit on a couple of high points. Biggest Success is the progress that was made on funding. Heading into the session the House and the Senate had somewhat different plans how to generate additional funding for transportation but the good thing they had a consensus on the concept of providing more funding. It took them a while to compromise. Ultimate answer and what was passed is SJR 5 which provides for \$2.5 billion in general sales tax revenue to the state highway fund annually and starts in FY 2018. Starting in FY 2020 in addition to that sales tax component there will be a 35% share of the motor vehicle sales tax added to that \$2.5 billion. There are some floors and triggers the \$2.5 billion of the general sales tax revenue isn't paid unless the state sales tax as a whole is \$28 billion. That's a pretty low threshold so there's no concern going forward unless there is a major change in the economy that it wouldn't be met so it is relatively certain. The motor vehicle sales tax is 35% in excess of the \$5 billion and that's a pretty low bar so it seems there's a good likelihood that it will be exceeded so there will be a contribution from those funds. It has a 12 year term but the legislator can renew it in 10 year increments beyond that point in time.

Two very important points:

- It is subject to a constitution amendment so this proposal will be on the ballot in November as Proposition 7 so it's subject to voter approval.
- Funds cannot be used for toll roads similar to Proposition 1 from the last session.

There is a question everybody wants to know, how is this money going to be allocated or spent? What projects? Keep in mind because the funding doesn't begin until FY 2018 the legislator will be back before then in 2017 and that's the point which they will likely provide guidance on how they want those funds allocated, prioritized, and used. That's exactly what happened with Proposition 1. If you use that as a reference point the Proposition 1 allocation that came out of this session, it's a rider to the budget, is:

- 45% goes to mobility which is Category II MPO money. That's the money you all care about most because that's where the MPO can start putting it on projects in the region. MPO's get to decide which projects that goes to.
- 25% to connectivity
- 20% to maintenance and preservation
- 10% energy sector

Obviously no guarantees as to what the allocation ratio will be but it will likely be the legislation that provides that guidance and it will probably be something along those lines similar to what they are doing in Proposition 1. We may get some insight on that with the interim hearings coming up.

Another significant issue on funding is they finally ended diversions. Diversions allowed state highway fund money to be spent on the Department of Public Safety functions of policing the public roadways. \$600 million dollars a year was being taken out.

In addition to the big issues is Oversight:

- House Bill 20 was a significant oversight bill that passed due to significantly increased funding it was appropriate to increase oversight.
- House Bill 2612 requires a study that to what it would take to remove tolls from all projects in the state.

**The report was accepted by the Board of Directors as presented.**

## **7. Discussion of US 281.** R. Green presented

A brief overview of the US 281 North Improvement Project was discussed including the following items:

- A. Record of Decision (ROD) was signed on July 17, 2015. Preferred Expressway Alternative was selected in the Final EIS ending the six year process. ROD Notice of Availability will be published in the Texas Register from July 31 – December 28, 2015. Within the 150 day period a lawsuit can be filed.
- B. US 281 Funding Milestones: Bexar County Judge Nelson Wolff, Commissioner Kevin Wolff, and ARMA Board Chairman John Clamp have requested additional

funding to build the US 281 North Improvement Project without a tolled component. Proposition 7 will go to voters in November 2015. If Proposition 7 passes, funding will become available to Alamo Area MPO in September 2017. It is estimated that \$200 Million to \$250 Million a year will be distributed to the region annually.

- C. Project Development Agreement (PDA) outlines the roles and responsibilities for TxDOT and ARMA for delivery of the southern segment (Loop 1604 to Stone Oak) of the project. TxDOT is responsible for project delivery and ARMA for design and installation of the toll equipment. The PDA is written so that if additional funding becomes available, the tolled component of the project can be removed. TxDOT provided 1<sup>st</sup> draft of the PDA to ARMA on July 2, 2015. Staff reviewed and returned comments to TxDOT on July 10, 2015. The PDA could be ready for Board action in August 2015.
- D. Project Delivery Method of the southern segment (Loop 1604 to Stone Oak) is proposed to be traditionally delivered (Design-Bid-Build or Low-Bid). The cost is estimated of \$228 Million. Recent legislation has set the TxDOT minimum for an alternative delivery (Design-Build) project as \$250 Million. Value engineering and Right-of-Way analysis on the northern segment (Stone Oak to County line) of the US 281 are underway.

Question by J. Clamp: From Loop 1604 to Stone Oak is all the Right-of-Way-of-Way acquired?

Response by R. Green: Yes, there's some little corner clips but that's not critical.

Question by J. Clamp: So the big challenge is really from Stone Oak to County Line.

Response by R. Green: Right, and as you know and just to give you an order of magnitude, in the EIS in order not to be determined as pre decisional we had to go with the value of the land as it is in Bexar County Appraisal District which you know is notoriously low and a lot of that is agricultural exempt. The Right-of-Way estimates in the EIS were around \$30 million. Now we are assuming we are looking at something in the magnitude about \$90 million. What we are trying to do is go through and see how much of the Right-of-Way we truly need and if we can value engineer.

Question by J. Clamp: So when we do the PDA there's possibility of equity instead of tolling would it be either or a combination of both maybe a lower toll? So when we do the PDA or there's money from Prop 7 as we planned it tolled we will build it as if it isn't tolled until we have equity.

Response by R. Green: Correct, The southern segment that's all this PDA covers is just US 281 north from Loop 1604 to Stone Oak that is fully funded so we will be able to move forward with the PDA which will includes design and construction while the Prop 7 funding scenarios are worked out. Even if we start turning dirt we won't be doing anything that would preclude us from getting that Prop 7 money if it becomes available to US 281.

Question by J. Clamp: Is US 281 tolled or not tolled or a combination of both?

Response by R. Green: The PDA is written as if it's tolled because voters haven't approved Prop 7 and we don't have that allocation yet and the MPO hasn't decided how that allocation will be spent but the PDA is written that we can easily eliminate the toll component and the project will continue to move forward.

Response by D. Smith: Remember we do not need any Proposition 7 money on the southern section. I have also directed my staff to push off as much of the toll design

expenses as far back as we can to allow as much time as possible to determine if any Prop 7 money will be available for the northern section.

Question by J. Clamp: So what is our next step?

Response by R. Green: The big picture next step is the PDA. We will bring that to you in August. TxDOT will be posting on their website that they will be procuring a design consultant which if you approve the PDA in August would be part of their required services and that will start very quickly.

**Board of Directors took no action on the US 281 discussion.**

**8. Discussion and appropriate action regarding the Legal Services Request for Qualifications.** Presented by R. Green.

On May 21, 2015 the Alamo RMA Board approved the issuance of a Request for Qualifications (RFQ) for General Counsel Services prior to the expiration of the current term with Locke Lord, LLP (Contract expires on July 31, 2015).

Alamo RMA staff finalized the RFQ and sent it to 14 firms. The RFQ was also posted on the Alamo RMA website. Four firms responded with Statements of Qualifications (SOQ). Staff from Finance, Legal, and Engineering reviewed and scored the SOQs.

The average scores (total points with a maximum of 100):

Locke Lord, LLP	91.60
Bracewell & Giuliani, LLP	85.70
Jackson Walker, LLP	62.20
Strasburger & Price, LLP	48.20

Question by R. Cavazos: Do we know the rates they quoted us?

Response by R. Green: No, again their picked on professional services only.

Response by D. Smith: We are not allowed to ask that question for professional services.

Response by R. Green: If we cannot negotiate a successful agreement with whatever firm you select then we are free to go to the next highest scoring firm on this list. We are not obligated to move forward with a firm if we do not like the rate structure. The question to the board is the board wants to conduct interviews or you want us to move forward with any one of these firms. Locke Lord contract expires July 31, 2015 so if we decide to move forward with an interview we would need to do some type an ad-hoc rider with Locke Lord contract.

Response by J. Clamp: I am not interested in interviewing the four firms.

**G. Ramos made the motion for approval of the Legal Services to remain with Locke Lord, LLP. R. Cavazos seconded the motion. All voted in favor.**

**9. Discussion of FY 2016 Vehicle Registration Fee Projects.**

On August 29, 2013, the Bexar County Commissioners Court adopted an Optional Vehicle Registration Fee of \$10.00 per vehicle. Texas Code requires that the County remit the revenue to the Alamo RMA to fund long-term transportation projects.

On April 29, 2014 Commissioners Court and Alamo RMA approved an Interlocal Funding Agreement with the Optional Vehicle Registration Fee to fund long-term transportation projects.

The RMA may issue obligations to obtain funding and/or resources necessary to support one or more Projects that will benefit the County through improved mobility, increased safety, enhanced economic development, and expansion of the tax base. \$70 million in funding is committed to Loop 1604 with all future expenditures to be approved by Commissioners Court. The Alamo RMA staff is proposing an additional funding of approximately \$30 million which represents roughly half of the uncommitted capacity.

Options for Utilization of Additional Vehicle Registration Fee:

1. Possible projects with TxDOT in Partnership who matches our money dollar for dollar and covers all project development costs. RMA funds would be used for construction costs only.
2. Possible Bexar County FY 2015-16 CIP Construction & Transportation Need projects with no matching contribution. \$30 million in funds would be used for a variety of project development/construction funding needs.
3. Other Recommendations would be a local call for projects. Develop a process similar to the MPO process for STPMM dollars. Bexar County Commissioners and RMA Board could select the projects. This is a lengthy process. It takes the MPO one year to make selections. These tend to be rehab projects and not major mobility projects that we are proposing.

3 projects:

FM 471 – Old FM 471 East to SH 211	Construction Cost:	\$21,000,000.00
Loop 1604 – US 281 to FM 1303	Construction Cost:	\$20,000,000.00
FM1516 – FM 78 to IH 10	Construction Cost:	\$23,500,000.00
Expand from 2 to 4 lanes	Total Construction Cost:	\$64,500,000.00

Question by J. Montford: What would be the cost to complete Loop 1604 total?

Response by R. Green: You mean as an expressway or expansion?

Response by J. Montford: The most prudent use of the money. I always felt that's an impediment to area economic development.

Response by R. Green: Good point, and one of the things informally that TxDOT, the City, County, RMA, VIA and the MPO are looking at is that type of roadway and what do we want our base system to look like but as David Smith said its quite a bit more than we have available to consider on Loop 1604.

Response by D. Smith: Last time I heard a number and it was in the hundreds.

Response by Jonathan Bean with TxDOT: It is about a 50 mile distance. If you think the cost per mile at the same numbers we use it is about \$300 or \$400 million. There is a lot of Right-of-Way of way available to build 4 lanes.

Response by D. Smith: Prop 7 might be a good place to consider funding for Loop 1604.

Question by J. Montford: The second part of my question is we got US 281 and I-10

prioritized and if we start off on some of these additional projects being proposed, is there any threat that staff commitment will lessen on our first two priorities? In other words I do not want to do anything to delay those projects.

Response by R. Green: I honestly don't think so. The money we are talking about here wouldn't put a dent on US 281 in terms of toll or non-toll. We really have to rely on Prop 7 for US 281. I think these could move independently without jeopardizing each other.

Response by Jonathan Bean from TxDOT: These are all good projects and geographically distributed and good bang for the buck.

Response by D. Wegmann: It is important to understand about staff commitment. TxDOT would be handling all the day to day engineering design and staff requirements.

Response by D. Smith: We are getting deep in the county's budgeting process and the county and commissioners in the past tend to be supportive trying to leverage our local dollars as much as possible.

Response by J. Montford: Loop 1604 is geographically imbalanced. It always has been.

Response by R. Green: We can talk to TxDOT and the County Commissioners about that and bring that back to you.

Response by R. Cavazos: I agree with J. Montford's comments but traffic counts will be helpful to review as we prioritize which corridor is selected. I would like to have a meeting with Mr. Bugg and just getting on the same page as we move forward.

Response by R. Green: What I am taking back from this is the County option and call for projects option is off the table. We can go back a few steps and show you everything we consider and why we recommended these three and also look at 1604. We can do a more comprehensive look at TxDOT projects and what we can leverage.

Response by J. Clamp: We need to also look at the financial side.

Response by Jonathan Bean with TxDOT: This is something we have been thinking about. Those three segments are on the long range plan with the MPO.

**Board of Directors took no action on the FY 2016 Vehicle Registration Fee Projects.**

**10. Citizens' Communications. (Citizens must sign the register to speak)** Chairman Clamp acknowledged individuals who signed up to speak. Jack Finger signed up to speak on agenda #9.

**11. Executive Session - Pursuant to Chapter 551, Subchapter D, Texas Government Code.**

Alamo RMA Board of Directors did not meet in Executive Session and no action was taken.

**12. Adjournment.**

There being no further action for the Board, Chairman Clamp adjourned the meeting at 4:09 p.m.

APPROVED:

  
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JOHN CLAMP, CHAIRMAN

DATE ADOPTED: 8/27/2015

I hereby certify that the above foregoing pages constitute the full, true, and correct minutes of all the proceedings and official records of the Alamo Regional Mobility Authority at its meeting on July 23, 2015.

ATTEST:   
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DAVID STARR, TREASURER/SECRETARY