

8. ADDITIONAL CARRYOVER SPEND DOWN PLAN

**BACKGROUND**

---

H-GAC monitors the progress of all projects scheduled to let within the 4-year Transportation Improvement Program (TIP) timeframe by conducting quarterly meetings with project sponsors. The meetings are conducted for projects funded with: Congestion Mitigation Air Quality Funds (CMAQ) – Category 5; Surface Transportation Block Grant (STBG) – Category 7, and Transportation Alternative Set Aside (TASA) – Category 9. Discussions during quarterly meetings include project development status, critical path timelines, realistic let dates and upcoming amendments needed (for cost increase requests, let date changes, etc.). H-GAC identified several critical path items for project development taking longer than expected (some causing 1–2-year delays or more). From May 2022-May 2023, H-GAC worked with local government sponsors to identify realistic schedules and let dates for all projects in the TIP. At the May TAC/TPC, the following was presented: 46% (~\$170M) of projects (with Categories 5, 7 and 9) “shifted” from FY 2023 – 2024 and 41% (~\$180M) of projects (Categories 5, 7 and 9) shifted from 2023-2025. The realistic conversations and project shifts resulted in a clearer understanding of the region’s growing carryover balances, particularly in Categories 5 and 7.

During the initiation of H-GAC’s project selection process in Mid-2023 for the Regional Goods Movement category, H-GAC requested sponsors submit projects that could let by August 2025 to help “backfill” the projects moving out of FY 2025. The initial carryover spend down effort resulted in TPC programming 60 projects in the TIP on December 15, 2023. All 60 projects (except 1 for \$500K) are expected to let or be transferred to Federal Transit Administration (FTA) by the end of August 2025. If all projects are successful, the region will generate ~\$23M in the Regional Strategic Transportation Fund (RSTF) program.

H-GAC’s quarterly meetings continued between Mid-2023 to September 2024, and more project shifts were determined needed (see Item 10A-02 for reference for the full list of projects recommended to shift). In response to more projects needing to move out from the originally programmed let years, in Early-Mid-2024 H-GAC solicited additional projects that could let by August 2025. In September 2024, TPC programmed an additional 8 projects with ~\$65M of Category 7 funds that can let by August 2025. Concurrently, in Mid-2024, H-GAC solicited projects that could let by August 2026. The deadline for sponsors to submit projects was September 30, 2024. H-GAC compiled a list of projects submitted by over 30 sponsors and over 170 projects. Approximately 20 projects submitted, totaling \$250M, are eligible for Category 5 funds, and over 150 projects, totaling over \$1B, are eligible for Category 7 funds. H-GAC met with TxDOT Houston and Beaumont Districts to discuss the submitted projects and recommendation list on October 2, 9, 10 and 14, 2024.

On September 18, 2024, H-GAC met with TxDOT Transportation Planning and Programming (TPP) Division and TxDOT Houston District to discuss carry over balances in Categories 5 and 7, particularly the amounts over 200% of the annual allocation of each. Per the recently adopted Texas Administrative Code (TAC) Rule, the amount over 200% of the annual allocation for Category 5 funds can be reallocated by TxDOT TPP (and possibly to areas outside of the H-GAC region). Additionally, for Category 7 funds, the amount over 200% of the annual allocation, TxDOT TPP may reallocate the funds within the H-GAC region towards the TxDOT’s Cat 11 Safety Program projects. TxDOT TPP indicated the H-GAC region was ~\$145M over the 200% threshold for Categories 5 and 7.

## CURRENT SITUATION

---

During the September 18, 2024 meeting between TxDOT TPP, TxDOT Houston District, and H-GAC, TxDOT TPP indicated the final assessment of the H-GAC's carryover balances in Categories 5 and 7 would be conducted in November 2024. TxDOT TPP indicated if H-GAC and TPC had a "plan" (which includes programming projects in the TIP and projects listed in TxDOT's internal database, TxDOT CONNECT) to address spending down the carryover balance below the 200% in Categories 5 and 7, TxDOT TPP would consider these actions in their final November 2024 assessment of the balances. This final assessment of the plan could possibly eliminate the reallocation of funds over the 200% threshold.

To include the projects in the TIP (and in TxDOT CONNECT) by November 2024, the projects would need to be programmed by TPC in October 2024 then be included in the November Statewide Transportation Improvement Program (STIP) Revision.

H-GAC staff is requesting TPC approval of the following approach to spend down CMAQ/Category 5 and STBG/Category 7 carry over balances:

1. Move project let dates per quarterly meetings that occurred between May 2023-September 2024.
2. Reduce the carryover balances in both CMAQ/Category 5 and STBG/Category 7 to around a 100% threshold each (to allow for higher spending on the lower risk projects [carryover spend down projects] and to provide a buffer to give the best attempt to prevent funds from being reallocated now and in the future). This approach allows us to fund two projects for each local government sponsor, in the categories described below.
3. Program \$350,175,029 on 42 roadway projects with STBG/Category 7 funds (which will bring the carryover for STBG funds close to 100%).
4. Program \$260,007,023 on 17 projects CMAQ/Category 5 funds with a total project cost of \$260,007,023.
5. Revisit the "E" Phase projects submitted for consideration of funding (Item 08-02 – List of "E" (Engineering/Environmental) in 6 Months. This will allow H-GAC and TxDOT time to discuss how best to handle the project development process for these "E" phase projects.
6. Approve METRO's request to repurpose funds already transferred to Federal Transit Administration (FTA) for the Missouri City Park and Ride Facility. The approval of this letter would allow TPC to program additional CMAQ funding from this round of carryover spend down effort on the Missouri City Park and Ride projects; thus, bringing the carry over balance for CMAQ closer to the recommended 100% threshold.

## ACTION REQUESTED

---

For Information and Discussion Only.

List of "E" (Engineering/Environmental) Phase Projects For Possible Future Funding in 6 Months

Sponsor Name	Project Name	Street/Facility	Project Limits From	Project Limits To	Proposed TIP Description (To be Refined After Comments Received at TAC)	Existing Federal Funds	Amount Requested From Carry Over Spend Down (FEDERAL ONLY)	Transportation Development Credits (TDCs)	Regional Strategic Transportation Fund (RSTF) Program Contribution Amount	Local/State Match (2% of Total Project Cost)	Total Project Funding (Including Previously Funded AND/OR LOCAL Match and New Carry Over Spend Down Funds)	Phase - Engineering "E"; Construction "C"; Federal Transit Administration Transfer "T"	Fiscal Year (FY) for Additional Carry Over Spend Down	Proposed Funding Category (Surface Transportation Block Grant (STBG) or Congestion Mitigation Air Quality (CMAQ) Funds)
North Houston District	West Rd. Reconstruction	West Rd.	I-45 NB Frontage Rd.	Airline Dr.	Reconstruct four lane roadway and provide sidewalks and ramps.	\$0	\$460,000	92,000	\$46,000	RSTF Program	\$460,000	E	2026	STBG
City of Sugar Land	Aerial Gondola System - Engineering, Environmental, and Design	US 59, State Highway 6, & University Blvd.	Lake Pointe	Crown Festival Park	Engineering, environmental, and design of full system - An elevated, zero emission, aerial gondola transportation system using autonomous electric vehicles that are on-demand and travel independently across a modular network of fixed cables and rails spanning approximately 6.5 miles. Flexible and easily expandable, the full network can be constructed in three phases and includes a total of 17 stations and 105 vehicles, along with a maintenance facility, allowing pedestrians and bicyclists safe, grade separated crossings over US 59 and SH6 and easy access to multiple destinations across the City.	\$0	\$12,000,000	2,400,000	\$1,200,000	RSTF Program	\$12,000,000	E	2026	STBG
Brazoria County	Pearland Parkway extension	Pearland Parkway	Dixie Farm Road	FM 2351	Extend Pearland Parkway from Dixie Farm Road to FM 2351 (as a four-lane, median divided roadway) to improve mobility within Brazoria County and provide an additional north/south route parallel to SH 35 to reduce congestion.	\$0	\$5,950,000	1,190,000	\$595,000	RSTF Program	\$5,950,000	E	2026	STBG
East Downtown Management District	EaDo Cap (Planning)	I-45 (above future IH-45)	Lamar Street	Commerce Street	Planning and project development associated with the implementation of a structural cap along IH-45	\$0	\$5,000,000	1,000,000	\$500,000	RSTF Program	\$5,000,000	E	2026	STBG
City of Sugar Land	Brazos River Turnaround (BRT) Alternate/UHSL Festival Blvd. Extension	Festival Blvd.	University Blvd. @ Wentworth Ln.	US 59 frontage road	Engineering, environmental, and design of new roadway - The Brazos River Turnaround has been permanently closed by TxDOT due to river erosion. This was a u-turn from US 59 southbound traffic wishing to access the Crown Festival Park, Brazos River Park, and the University of Houston Sugar Land campus. As an alternative, it was recommended to extend Festival Blvd. southeast and join it at University near Wentworth Lane, adding a traffic signal to this new intersection. In addition, the University campus is planned to expand and become a larger college campus, with additional buildings and a dormitory. The design of the new roadway as low-speed facility using traffic calming, such as raised crosswalks or narrow lanes, intersection improvements at University Blvd @ US 59, and replace existing substandard bike lane with sidepath in each direction along Festival Blvd.	\$0	\$4,200,000	840,000	\$420,000	RSTF Program	\$4,200,000	E	2026	STBG

**List of "E" (Engineering/Environmental) Phase Projects For Possible Future Funding in 6 Months**

Brazoria County	CR 59 widening	County Road 59	Fort Bend County Line	CR 48	Widening existing 2-lane asphalt roadway to a 4-lane concrete Blvd. with roadside ditches, storm sewer and a detention pond.	\$0	\$3,400,000	680,000	\$340,000	RSTF Program	\$3,400,000	E	2026	STBG
Brazoria County	County Road 100	County Road 100	CR 113	SH 35	Construct 2-lane roadway and 2-lane grade separation crossing at existing railroad.	\$0	\$2,822,000	564,400	\$282,200	RSTF Program	\$2,822,000	E	2026	STBG
Memorial Heights Redevelopment Authority	19th Street Reconstruction - Design Phase	19th Street	Bevis Street	Nicholson Street	Preliminary engineering and design efforts for the reconstruction of 19th Street from Bevis Street to Durham Drive	\$0	\$2,750,000	550,000	\$275,000	RSTF Program	\$2,750,000	E	2026	STBG
Downtown Redevelopment Authority/TIRZ #3	Congress Street Bridge Re	Congress Street	Franklin Street	Smith Street	Redesign key portal into Downtown Houston to improve multimodal operations	\$0	\$2,000,000	400,000	\$200,000	RSTF Program	\$2,000,000	E	2026	STBG
Port Freeport	FM 1495 Freeport Parking: Facilitating Safe Intermodal Movement	FM 1495	North limit Union Pacific Rail #106	South limit Union Pacific Rail #709	35 truck parking spaces (4 of which are EV) and three vehicle parking spaces (two of which are EV). Project include new walking infrastructure to protect non-motorized users, that incorporate Universal Design, and includes the addition of high visibility crosswalks, 6-foot walking infrastructure, safety lighting and trees for shade.	\$0	\$6,961,900	1,392,380	\$696,190	RSTF Program	\$1,500,000	E	2026	STBG
Westchase District	Richmond Avenue Reconstruction Preliminary Engineering	Richmond Avenue	Briarpark	Woodland Park	Preliminary engineering efforts for the reconstruction of Richmond Avenue from Briarpark Drive to Woodland Park Drive	\$0	\$1,500,000	300,000	\$150,000	RSTF Program	\$1,500,000	E	2026	STBG
St. George Place Redevelopment Authority	Greenridge Drive Safety Improvements	Greenridge Drive	Westheimer	Beverly Hill Street	Design phase: Total reconstruction of roadway to include pavement, sidewalks, intersection improvements, and subsurface utilities.	\$0	\$1,000,000	200,000	\$100,000	RSTF Program	\$1,000,000	E	2026	STBG
										<b>Total</b>	<b>\$42,582,000</b>			