

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

NOTICE OF AND AGENDA FOR A SPECIAL MEETING TO BE HELD BY THE BOARD OF DIRECTORS

DATE: THURSDAY, MAY 2, 2013
TIME: 4:30 PM
PLACE: PHARR CITY HALL
FD TRAINING ROOM
118 SOUTH CAGE BOULEVARD, 3rd FLOOR
PHARR, TEXAS 78577

PRESIDING: DENNIS BURLESON, CHAIRMAN

CALL TO ORDER FOR SPECIAL MEETING

PUBLIC COMMENT

1. REPORTS

A. None

2. RESOLUTIONS

- A. Resolution 2013-13 – Approval of 2012 Financial Statement and Independent Auditors Report for the Hidalgo County Regional Mobility Authority.
- B. Resolution 2013-14 – Approval of Supplemental No. 1 to Work Authorization No. 6 to Professional Service Agreement with Dannenbaum Engineering to provide a Sketch Level Traffic & Revenue Study for Overweight Truck Traffic at the Pharr International Bridge and State Highway 365.
- C. Resolution 2013-15 – Approval of Supplemental No. 4 to Work Authorization No. 6 to Professional Service Agreement with Dannenbaum Engineering to prepare and submit a Transportation Investment Generating Economic Recovery (TIGER) Grant to the US Department of Transportation for State Highway 365

3. CHAIRMAN'S REPORT

A. None

4. EXECUTIVE SESSION, CHAPTER 551, TEXAS GOVERNMENT CODE, SECTION 551.071 (CONSULTATION WITH ATTORNEY), SECTION 551.072 (DELIBERATION OF REAL PROPERTY) AND SECTION 551.074 (PERSONNEL MATTERS)

A. None

ADJOURNMENT OF SPECIAL MEETING

CERTIFICATION

I, the Undersigned Authority, do hereby certify that the attached agenda of the Hidalgo County Regional Mobility Authority Board of Directors is a true and correct copy and that I posted a true and correct copy of said notice on the Hidalgo County Regional Mobility Web Page (www.hcrma.net) and on the bulletin board in the Hidalgo County Court House (100 North Closner, Edinburg, Texas 78539), a place convenient and readily accessible to the general public at all times, and said Notice was posted on the 29th day of April, 2013 at 12:00 pm and will remain so posted continuously for at least 72 hours preceding the scheduled time of said meeting in accordance with Chapter 551 of the Texas Government Code.

Flor E. Koll
Program Administrator

Note: If you require special accommodations under the Americans with Disabilities Act, please contact Flor E. Koll at 956-402-4762 at least 24 hours before the meeting.

This Page
Intentionally
Left Blank

Item 2A

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS	<u> X </u>	AGENDA ITEM	<u> 2A </u>
PLANNING COMMITTEE	<u> </u>	DATE SUBMITTED	<u> 4/29/13 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 5/02/13 </u>
TECHNICAL COMMITTEE	<u> </u>		

1. Agenda Item: **RESOLUTION 2013-13 - APPROVAL OF 2012 FINANCIAL STATEMENT AND INDEPENDENT AUDITORS REPORT FOR THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY**
2. Nature of Request: (Brief Overview) Attachments: X Yes No

Consideration and approval of Financial Statement and Independent Auditors Report prepared by Long Chilton, LLP. for Fiscal Year 2012.
3. Policy Implication: Board Policy, Local Government Code, Texas Government Code
4. Budgeted: Yes X No N/A

Funding Source: Loop Fund
5. Staff Recommendation: **Motion to approve Resolution 2013-13 – Approval of 2012 Financial Statement and Independent Auditors Report as presented.**
6. Program Manager's Recommendation: Approved Disapproved X None
7. Board Attorney's Recommendation: Approved Disapproved X None
8. Executive Director's Recommendation: X Approved Disapproved None



Memorandum

To: Dennis Burleson, Chairman
From: Pilar Rodriguez, PE, Executive Director
Date: April 29, 2013
Re: **Approval of 2012 Financial Statement and Independent Auditors Report**

Attached is the Financial Statement and Independent Auditors Report for Fiscal Year 2012.

Based on review by this office, **approval of Resolution 2013-13 – Approval of 2012 Financial Statement and Independent Auditors Report is recommended.**

Additionally, I have attached a copy of the Financial Statement and Independent Auditors Report prepared by Long Chilton for your review and consideration.

If you should have any questions or require additional information, please advise.

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
BOARD RESOLUTION NO. 2013-13

APPROVAL OF 2012 FINANCIAL STATEMENT AND INDEPENDENT AUDITORS
REPORT

THIS RESOLUTION is adopted this 2ND day of May, 2013 by the Board of Director of the Hidalgo County Regional Mobility Authority.

WHEREAS, the Hidalgo County Regional Mobility Authority (the "Authority"), acting through its Board of Directors (the "Board"); is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the "Act"); and

WHEREAS, the Authority was created by Order of Hidalgo County (the "County") dated October 26, 2004; Petition of the County dated April 21, 2005; and a Minute Order of the Texas Transportation Commission (the "Commission") dated November 17, 2005, pursuant to provisions under the Act the Authority; and

WHEREAS, the Authority is required to report to the Texas Department of Transportation the annual financial statement and independent auditors report pursuant to the Texas Administrative Code, Title 43, Part 1, Chapter 26, Subchapter G (Regional Mobility Authority Reports and Audits), as amended; and

WHEREAS, the Authority's 2012 fiscal year commenced on January 1, 2012 and ended on December 31, 2012; and

WHEREAS, the Board accepts the 2012 Financial Statement and Independent Auditors Report prepared by Long Chilton, LLP;

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTOR OF THE
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.

Section 2. The Board accepts the Fiscal Year 2012 Financial Statement and Independent Auditors Report, hereto attached as Exhibit A.

Passed and Approved as to be effective immediately this 2nd day of May 2013, at a special meeting of the Board of Directors of the Hidalgo County Regional Mobility Authority at which a quorum was present and which was held in accordance with the provisions of Chapter 551, Texas Government Code.

Dennis Burleson, Chairman

Attest:

Ricardo Perez, Secretary/Treasurer

EXHIBIT A

FINANCIAL STATEMENT AND INDEPENDENT AUDITORS REPORT
FOR
FISCAL YEAR 2012

**Financial Statements
and
Independent Auditor's
Report**

**HIDALGO COUNTY REGIONAL MOBILITY
AUTHORITY**

December 31, 2012

LONG CHILTON, LLP
Certified Public Accountants
4100 North Twenty-Third Street
McAllen, Texas 78504
(956) 686-3701

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
Year Ended December 31, 2012

TABLE OF CONTENTS

Page
No.

Independent Auditor's Report 2

Management's Discussion and Analysis 4

Basic Financial Statements

Statement of Net Position 8

Statement of Revenues, Expenses and Changes in Net Position 9

Statement of Cash Flows 10

Notes to Financial Statements 11

FINANCIAL SECTION

Independent Auditor's Report

To the Board of Directors
Hidalgo County Regional Mobility Authority
Weslaco, Texas

Members of the Board:

We have audited the accompanying financial statements of the Hidalgo County Regional Mobility Authority as of and for the year ended December 31, 2012, and the related notes to the financial statements which collectively comprise the Authority's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Hidalgo County Regional Mobility Authority as of December 31, 2012, and the changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, on pages 3 through 5 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Long Chilton, LLP

LONG CHILTON, LLP
Certified Public Accountants

McAllen, Texas
April 19, 2013

MANAGEMENT DISCUSSION AND ANALYSIS

Our discussion and analysis of Hidalgo County Regional Mobility Authority's financial performance provides an overview of the Authority's financial activities for the fiscal year ended December 31, 2012. Please read it in conjunction with the Authority's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The Authority's net position increased by \$5.2 million as a result of vehicle registration fees received from Hidalgo County to fund the long-term transportation projects in Hidalgo County.
- Capital assets were \$25.6 million and \$31.3 million as of December 31, 2011 and 2012, respectively. All capital costs pertain to construction in progress relating to advance planning, schematic design, environmental clearance, and financial planning.
- Long-term liabilities decreased from \$12.1 million in 2011 to \$10.7 million in 2012. This decrease was largely the result of principal payments of \$1.3 million being applied against a line of credit with First National Bank of Edinburg. The funds from the line of credit are restricted to use on capital projects.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of two parts – *management's discussion and analysis* (this section), and *the basic financial statements*.

The basic financial statements presented are: the Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position and the Statement of Cash Flows. These statements are presented in accordance with Governmental Accounting Standards Board Statement No. 34, Basic Financial Statements – Management's Discussion and Analysis for State and Local Governments.

The statements are prepared under the accrual basis of accounting in which revenues and assets are recognized when earned or acquired, and expenses and liabilities are recognized when incurred regardless of when cash is received or paid.

FINANCIAL ANALYSIS OF THE AUTHORITY

Statement of Net Position

As noted earlier, net assets may serve overtime as a useful indicator of a government's financial position. In the case of the Authority, assets exceeded liabilities by \$23,877,100 at the close of this fiscal year.

A portion of the Authority's net position (81.6%) reflects its investment in capital assets (capitalized planning costs related to Loop Project), less related debt used to acquire those assets that is still outstanding. Net position restricted for long-term transportation projects (17.4%) represents resources that are subject to external restriction on how they may be used.

Unrestricted net position, the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements was \$47,933. Following is a brief summary of the Authority's net position.

Table 1
Net Position
(in thousands of dollars)

	2012	2011	Total % Change 2012-2011	2010	Total % Change 2011-2010
Current and other assets	\$ 5,159	\$ 6,784	-31%	\$ 5,928	12%
Capitalized bonds and other debt issuance costs	113	131	-16%	150	-15%
Capital assets	31,297	25,613	18%	22,628	12%
Total assets	36,569	32,528	11%	28,706	12%
Current Liabilities	1,966	1,843	6%	1,351	27%
Long-term obligations	10,726	12,048	-12%	13,684	-14%
Total liabilities	12,692	13,891	-9%	15,035	-8%
Net position:					
Net investment in capital assets	19,503	12,505	36%	8,114	35%
Restricted	4,326	6,075	-40%	5,499	9%
Unrestricted (deficit)	48	57	-19%	59	-4%
Total net position	\$ 23,877	\$ 18,637	22%	\$ 13,672	27%

Statement of Revenues, Expenses and Changes in Net Position

Governmental activities increased the Authority's net position by \$5.2 million. This increase is largely due to the receipt of grant funds from Hidalgo County from a \$10.00 surcharge on all County vehicle registrations. The total funds received from the County were \$5,243,190. These funds are restricted by State law for capital projects. Program expenses, which consist of administrative costs that could not be allocated to the Loop Project, totaled \$3,219 for 2012. Table 2 compares the 2012 change in net position to the 2011 change in net position.

Table 2
Changes in Net Position
(in thousands of dollars)

	2012	2011	Total % Change 2012-2011	2010	Total % Change 2011-2010
Revenues:					
Vehicle registration fees - Restricted	\$ 5,243	\$ 4,967	5%	\$ 4,728	5%
Total revenue	5,243	4,967	5%	4,728	5%
Expenses					
Administrative	3	2	33%	2	0%
Total liabilities	3	2	33%	2	0%
Change in net position	5,240	4,965	5%	4,726	5%
Net position, beginning of the year	18,637	13,672	27%	8,946	35%
Total net position, end of the year	\$ 23,877	\$ 18,637	22%	\$ 13,672	27%

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of December 31, 2012 the Authority had invested approximately \$31.3 million in construction in progress, including engineering fees and preliminary costs such as funding, consulting, environmental, legal and traffic analysis fees. No tangible property or equipment has been acquired to date. Depreciation and amortization on construction in progress will not begin until each project is complete. Additional information on the Authority's capital assets can be found in the notes to the financial statements.

Long-term Debt

The Authority has two long-term notes outstanding as of December 31, 2012. One note payable to Hidalgo County representing funds loaned by the County for general operations with a balance of \$200,000 was provided to the Authority for the purpose of assisting in its organization efforts and its general operations. A second note payable to First National Bank has a balance of \$11.9 million at December 31, 2012 which represents the remaining balance on a \$15 million line of credit. These funds are restricted to paying transportation project costs. Additional information on the Authority's long-term debt can be found in the notes to the financial statements.

ECONOMIC FACTORS FOR NEXT YEAR

The Authority's income from vehicle registration fees remains stable with a small increase year over year. The proceeds are sufficient for repayment of debt obligations and to continue with preliminary planning leading to construction. We anticipate Right of Way acquisition to be completed in mid 2015 and construction to begin soon thereafter. The Texas Department of Transportation has pledged financial assistance for the SH 365 Project in the amount of \$112 Million.

CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our patrons and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Hidalgo County Regional Mobility Authority, 118 S. Cage Blvd., 4th Floor, Pharr, Texas 78577.

BASIC FINANCIAL STATEMENTS

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
STATEMENT OF NET POSITION
DECEMBER 31, 2012

Assets

Current assets:		
Cash - unrestricted	\$ 249,449	
Cash - restricted	4,571,473	
Vehicle registration fee receivable	<u>338,250</u>	
Total current assets		\$ 5,159,172
Capital assets:		
Office equipment, net	8,630	
Construction work in progress	<u>31,288,753</u>	
Total capital assets, net		31,297,383
Other assets:		
Bond issuance costs, net		<u>112,421</u>
Total assets		<u>\$ 36,568,976</u>

Liabilities and Net Position

Current liabilities:		
Due to LRGVDC	\$ 1,028	
Accrued expenses	428	
Payables from restricted assets:		
Accrued expenses	487,105	
Interest payable	96,989	
Note payable	<u>1,380,782</u>	
Total current liabilities		\$ 1,966,333
Noncurrent liabilities:		
Note payable		<u>10,725,544</u>
Total liabilities		12,691,876
Net position:		
Net investment in capital assets	19,503,478	
Restricted for:		
Debt service	150,000	
Long-term transportation projects	4,175,629	
Unrestricted	<u>47,993</u>	
Total net position		<u>23,877,100</u>
Total liabilities and net position		<u>\$ 36,568,976</u>

The accompanying notes are an integral part of these financial statements.

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
DECEMBER 31, 2012

	<u>Non-GAAP</u>	<u>Capitalized Expenses</u>	<u>GAAP Basis</u>
Revenues:			
Vehicle registration fees	\$ 5,243,190	\$ -	\$ 5,243,190
Total revenues	<u>\$ 5,243,190</u>	<u>\$ -</u>	<u>\$ 5,243,190</u>
Expenses:			
Administrative	321,893	(318,674)	3,219
Consulting and engineering	4,652,222	(4,652,222)	-
Financial consulting fees	5,250	(5,250)	-
Interest expense	463,474	(463,474)	-
Amortization expense	18,737	(18,737)	-
Legal and professional	109,971	(109,971)	-
Other loop project	<u>109,909</u>	<u>(109,909)</u>	<u>-</u>
Total expenses	<u>5,681,456</u>	<u>(5,678,237)</u>	<u>3,219</u>
Change in net position	<u>\$ (438,266)</u>	<u>\$ (5,678,237)</u>	5,239,971
Net position, January 1, 2012			<u>18,637,129</u>
Net position, December 31, 2012			<u>\$ 23,877,100</u>

The accompanying notes are an integral part of these financial statements.

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
STATEMENT OF CASH FLOWS
DECEMBER 31, 2012

Cash flows from operating activities:		
Receipts from Department of Transportation	\$ 5,252,500	
Payments to suppliers of goods or services	<u>(2,229)</u>	
Net cash flows provided from operating activities		<u>\$ 5,250,271</u>
Cash flows from capital and related financing activities:		
Acquisitions for construction in progress	(5,532,965)	
Principal paid on capital debt	<u>(1,333,190)</u>	
Net cash flows used in capital and related financing activities		<u>(6,866,154)</u>
Net decrease in cash and cash equivalents		(1,615,884)
Cash and cash equivalents at beginning of year		<u>6,436,806</u>
Cash and cash equivalents at end of year		<u>\$ 4,820,922</u>
Reconciliation of change in net assets to net cash provided by operating activities:		
Change in net position	\$ 5,239,971	
Depreciation	660	
Changes in assets and liabilities:		
(Increase) Decrease in accounts receivables	9,309	
Increase (Decrease) in accrued expenses	<u>332</u>	
Net cash flows provided by operating activities		<u>\$ 5,250,271</u>
Supplemental Disclosure of Cash Flow Information:		
Cash paid during the year for:		
Interest expense		<u>\$ 463,474</u>

The accompanying notes are an integral part of these financial statements.

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Hidalgo County Regional Mobility Authority (the Authority) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Authority's accounting policies are described below:

A. Reporting Entity

The Authority is an independent governmental agency created in November 2005 pursuant with Chapter 370 of the Transportation Code. The Authority is governed by a seven-member Board of Directors (the Board) appointed by the Governor of the State of Texas and the Hidalgo County Commissioners' Court. The Board is responsible for setting policies, identifying priorities and ensuring the Authority is operated effectively. Board members, appointed to serve two-year terms, are volunteers and are not compensated for their service.

The Authority was created to be a proactive partner empowering the community to address congestion and mobility concerns through local means with local leadership. It was created to plan, develop, fund and maintain a transportation system to serve the estimated 1.5 million residents living in Hidalgo County by 2025. The Authority's mission is to develop a publicly owned transportation system that creates jobs through increased mobility and access, is locally funded for reliable delivery, pays for itself in terms of future maintenance and also funds new projects to meet the future transportation needs of the County. In its petition to create the Hidalgo County Regional Mobility Authority, Hidalgo County identified the Hidalgo Loop System (the Loop System) as the initial set of projects to be developed under the guidance of the Authority. The planning for the Loop System was started in 2000 by Hidalgo County and the Hidalgo County Metropolitan Planning Organization. The Authority concluded its additional planning effort for the Loop System around the urban part of Hidalgo County in 2010. Based on this effort, the Authority identified 2 independent projects, the Trade Corridor Connector (TCC) and the International Bridge Trade Corridor (IBTC), that provide utility to County residents and together begin building the Loop System. Additional state aid through the Texas Department of Transportation and the addition of a potential third project, the La Joya Relief Route, has required the Authority to re-examine the initial projects. A five-year Strategic Plan approved in March 2012 emphasizes the Authority's efforts to begin development of the Loop System projects, which prioritize State Highway 365 (formerly TCC), the International Border Trade Corridor, and State Highway 68 (formerly Segment D).

The Authority is not included in any other governmental "reporting entity" as defined by GASB Statement No. 14, *"The Reporting Entity"*. There are no component units included within the reporting entity.

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

B. Basis of Accounting

The operations of the Authority are accounted for within a single proprietary (enterprise) fund on an accrual basis. The accounting and financial reporting treatment applied is determined by measurement focus. The transactions of the Authority are accounted on a flow of economic resources measurement focus.

During the year the Authority implemented the requirements of GASB Statement No. 63. However, the Authority does not have any items that would qualify as deferred inflows or deferred outflows as defined in this statement.

The financial statements of the Authority measure and report all assets, deferred outflows of resources, liabilities, deferred inflows of resources, revenues, expenditures, and gains and losses using the economic resources measurement focus and accrual basis of accounting.

Under this basis, revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, depreciation of assets is recognized and all assets and liabilities associated with the operation of the Authority are included in the Statement of Net Assets. Operating expenses include the cost of administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

C. Cash, Cash Equivalents, and Investments

Cash and cash equivalents include cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. These deposits are fully collateralized or covered by federal deposit insurance.

D. Capital Assets

All capital assets at year end represent capitalized costs for legal, consulting and engineering relating to advance planning on the Loop Project. Depreciation and amortization on construction in progress will not begin until the project is operational. During the year, the total interest expense of \$463,474 incurred was capitalized as part of the construction in progress.

E. Grants and Contracts

Revenues include grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. The Authority considers all grant and contributions to be 100% collectible.

F. Restricted Assets

Certain proceeds of the Authority's loans and grants are classified as restricted assets on the Statement of Net Assets because their use is limited by applicable loan covenants and grant agreements.

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 1 - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Income Taxes

The Authority is an instrumentality of the State of Texas. As such, income earned in the exercise of its essential government functions is exempt from state or federal income taxes.

H. Classification of Operating and Non-operating Revenues and Expenses

The Authority defines operating revenues and expenses as those revenues and expenses generated by a specified program offering either a good or service. This definition is consistent with GASB Statement No. 9 which defines operating receipts as cash receipts from customers and other cash receipts that do not result from transactions defined as capital and related financing, non-capital financing or investing activities.

When an expense is incurred that can be paid using either restricted or unrestricted resources, the Authority's policy is to first apply the expense toward restricted resources, and then towards unrestricted resources available for use.

I. Estimates

The preparation of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - DEPOSITS AND INVESTMENTS

At December 31, 2012, the carrying amount of the Authority's cash was \$4,820,922. The bank balance was \$5,237,100 as of December 31, 2012. The Authority's carrying amount at year end is as follows:

	Type	Amount
General Operating	Unrestricted	\$ 249,449
Loop Project	Restricted	47,338
Vehicle Registration	Restricted	4,374,135
Debt Service	Restricted	150,000
		<u>\$ 4,820,922</u>

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the Authority will not be able to recover its deposits or will not be able to recover its collateral securities that are in the possession of an outside party. Effective December 31, 2010, the FDIC announced its temporary unlimited deposit insurance coverage for noninterest-bearing transaction accounts at all FDIC-insured depository institutions, and remains in effect through December 31, 2012. The Authority's cash deposits at December 31, 2012 and during the year then ended were covered by FDIC Insurance.

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 2 - DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. As previously stated, at year end, all funds were invested in demand deposit accounts at First National Bank of Edinburg. The Letter of Credit from the Federal Home Loan Bank securing the Authority's deposits is dependent upon the financial condition of the financial institution. However, the concentration of credit risk is mitigated by the fact that the Authority has debt outstanding with the bank that exceeds the amount of the deposits in the bank.

Interest Rate Risk

Interest rate risk is the risk that the changes in interest rates will adversely affect the fair value of an investment. Interest rate risk may be mitigated by investing operating funds primarily in shorter term securities, money market funds or similar investment pools and limiting the average maturity of the portfolio. All deposits of the Authority were invested in demand deposit accounts at year end.

Credit Risk

Credit risk is the risk that an issuer or other counter party to an investment will not fulfill its obligation. All deposits were backed by federal deposit insurance, an agency of the federal government.

NOTE 3 - DISAGGREGATION OF PAYABLES

Payables as of December 31, 2012 for the Authority are as follows:

Engineering Services	\$ 381,779
Legal Services	5,375
Administration Expenses	99,951
	<u>\$ 487,105</u>

NOTE 4 - CAPITAL ASSETS

Capital assets at year end totaled \$31,297,383 and represented capitalized costs relating to advance planning for the Loop Project. Capital asset activity for the year ended December 31, 2012, was as follows:

	Balance 1/1/2012	Increases	Decreases	Balance 12/31/2012
Capital Assets, not being depreciated:				
Construction in Progress	\$ 25,610,421	\$ 5,678,332	\$ -	\$ 31,288,753
Capital Assets, being depreciated:				
Office Equipment	3,186	6,821	-	10,007
Less accumulated depreciation for:				
Office Equipment	(717)	(660)	-	(1,377)
Total Capital Assets being depreciated (Net)	2,469	6,161	-	8,630
Total Capital Assets (Net)	<u>\$ 25,612,890</u>	<u>\$ 5,684,493</u>	<u>\$ -</u>	<u>\$ 31,297,383</u>

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012

NOTE 4 - CAPITAL ASSETS (Continued))

Increase in construction in progress consists of the following:

Administrative	\$ 318,770
Consulting and engineering	4,652,222
Financial consulting fees	5,250
Interest expense	463,474
Amortization expense	18,737
Legal and Professional	109,971
Other Loop Project	109,908
	<u>\$ 5,678,332</u>

NOTE 5 - LONG-TERM OBLIGATIONS

Long-term obligations outstanding at December 31, 2012 were as follows:

	Beginning Balance 1/1/2012	Increases	Decreases	Ending Balance 12/31/2012	Due Within One Year
Hidalgo County	\$ 200,000	\$ -	\$ -	\$ 200,000	\$ -
First National Bank	13,239,515	-	1,333,190	11,906,325	1,380,782
	<u>\$ 13,439,515</u>	<u>\$ -</u>	<u>\$ 1,333,190</u>	<u>\$ 12,106,325</u>	<u>\$ 1,380,782</u>

The note payable to Hidalgo County was funded as a result of an Interlocal Agreement between Hidalgo County and the Authority to loan funds to the Authority for the purpose of providing initial operating funds for the Loop Project. The Agreement allows for additional funding for operations if needed. The terms of the loan call for 8.25% annual interest with repayment from the proceeds of the first available revenues received by the Authority from the Project. If bonds are issued, a portion of the proceeds from the bonds shall be used to retire the loan.

The note payable to First National Bank represents funds advanced against a \$15 million line of credit. The loan proceeds are restricted to payment of Transportation Project Costs. The loan is secured by a pledge of the Vehicle Registration Fee collected by the County and remitted by the County to the Authority. The line of credit is payable in monthly installments of \$148,347 including interest at 3.5% through 2020.

Bond Obligations

The Authority and Hidalgo County authorized the pledge of the vehicle registration fee revenues to secure payment of the Hidalgo County Regional Mobility Authority Debt in a term not exceeding 40 years.

**HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2012**

NOTE 5 - LONG-TERM OBLIGATIONS (Continued)

Debt service requirements on long-term debt at December 31, 2012 are as follows:

Year Ended December 31	Principal	Interest	Total
2013	\$ 1,380,782	\$ 403,474	\$ 1,784,256
2014	1,425,655	354,510	1,780,165
2015	1,476,361	303,804	1,780,165
2016	1,528,119	252,045	1,780,164
2017	1,583,221	196,944	1,780,164
2018-2020	4,712,188	241,678	4,953,865
	<u>\$ 12,106,325</u>	<u>\$ 1,752,454</u>	<u>\$ 13,858,779</u>

NOTE 6 - CONSTRUCTION COMMITMENTS

At December 31, 2012, the Authority had remaining construction commitments:

Project	Authorization	Expended	Remaining
Program Management	\$ 2,509,436	\$ 1,778,957	\$ 730,479
Traffic Studies	574,229	427,933	146,296
Engineering/Surveying	3,433,459	2,014,599	1,418,860
Environmental	663,790	248,956	414,834
			<u>\$ 2,710,469</u>

NOTE 7 - PRELIMINARY DEVELOPMENT PROJECT

On March 28, 2012, the HCRMA Board of Director adopted Program Manager Strategy No. 8, which is an 8 year comprehensive plan for State Highway 365 (formerly TCC), International Border Trade Corridor (IBTC) and State Highway 68 (formerly Segment D). During the remainder of the 2012 Fiscal Year, the Board focused efforts on the advance planning elements for the State Highway 365 project through a corridor from FM 1016 (Conway Avenue) to US 281/Military Highway. The efforts included planning to build an interim roadway facility with four (4) main lanes, structures and frontage roads for a distance of 13.4 miles. Engineering, Surveying and Environmental Consultants were procured and authorized to work on tasks that were necessary for an Environmental Clearance. The Texas Department of Transportation and the Federal Highway Administration issued an Environmental Assessment classification for the project in December 2012. The Authority expects environmental clearance for State Highway 365 in March 2014.

Item 2B

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS
PLANNING COMMITTEE
FINANCE COMMITTEE
TECHNICAL COMMITTEE

 X

AGENDA ITEM
DATE SUBMITTED
MEETING DATE

 2B
 04/29/13
 05/02/13

1. Agenda Item: **RESOLUTION 2013-14 – APPROVAL OF SUPPLEMENTAL NO. 1 TO WORK AUTHORIZATION NO. 6 TO PROFESSIONAL SERVICE AGREEMENT WITH DANNENBAUM ENGINEERING TO PROVIDE SKETCH LEVEL TRAFFIC AND REVENUE STUDY FOR OVERWEIGHT TRUCK TRAFFIC AT THE PHARR INTERNATIONAL BRIDGE AND SH 365 PROJECT.**

2. Nature of Request: (Brief Overview) Attachments: X Yes No

Approval of Supplemental No. 1 to Work Authorization No. 6 to provide a sketch level Traffic & Revenue Study for overweight trucks crossing the Pharr International Bridge and utilizing SH 365 and the temporary overweight truck corridor.

3. Policy Implication: Board Policy, Local Government, Texas Government Code, Texas Transportation Code, TxDOT Policy

4. Budgeted: Yes X No N/A

Funding Source: Loop Fund

Maximum amount payable	\$5,000,000.00	100%
Work Authorization No. 1	(\$ 909,960.63)	-18.19%
Work Authorization No. 2 (cancelled)	(\$ 0.00)	0%
Work Authorization No. 3	(\$ 57,750.00)	-1.16%
Work Authorization No. 4	(\$ 891,814.61)	-17.84%
Supplemental No. 1 to WA No. 4	\$ 197,458.76	3.95%
Work Authorization No. 5	(\$ 769,236.96)	-15.38%
Work Authorization No. 6	(\$ 689,834.33)	-13.80%
Supplemental No. 1 to WA No. 6	(\$ 81,309.04)	- 1.63%
Maximum fee balance	\$1,797,533.19	35.91%

Total authorized for WA 1, 3, 4, 5 & 6	\$3,121,137.77
Payments to date for WA 1, 3, 4, 5 & 6	(\$2,776,220.61)
Work Authorization balance	\$ 344,917.16

5. Staff Recommendation: **Motion to approve Resolution 2013-14 – Approval of Supplemental No. 1 to Dannenbaum Work Authorization Number 6 in the amount of \$81,309.04, leaving a maximum fee balance of \$1,797,533.19.**

6. Program Manager's Recommendation: X Approved Disapproved None

7. Planning Committee's Recommendation: X Approved Disapproved X None

8. Board Attorney's Recommendation: Approved Disapproved X None

9. Executive Director's Recommendation: X Approved Disapproved None



Memorandum

To: Dennis Burleson, Chairman
From: Pilar Rodriguez, PE, Executive Director
Date: April 29, 2013
Re: **Supplemental No. 1 to Dannenbaum Engineering Work Authorization Number 6**

At the October 27, 2011, regular meeting, the Board of Directors awarded a professional service agreement for general engineering and program management services to Dannenbaum Engineering in the maximum payable amount of \$5,000,000. Subsequently, the Board has approved Work Authorizations No. 1, 3, 4, 5 and 6 in the amounts of \$909,960.63, \$57,750.00, \$891,814.61, \$769,236.96 and \$689,834.33 respectively.

Work Authorization No. 1 was to review prior engineering, surveying, environmental and permitting work provided to the Hidalgo County Regional Mobility Authority (HCRMA), Work Authorization No. 2 was cancelled by the HCRMA Board, Work Authorization No. 3 was to provide title reports for the SH 365, Work Authorization No. 4. was to update the new Executive Director, oversee the update of T&R study, oversee environmental clearance/preliminary design of SH 365 and oversee various other tasks related to SH 365 and IBTC Projects, and Work Authorization No. 5 & 6 are to continue Program Management for SH 365 and IBTC Projects.

Dannenbaum's tasks under Supplemental No. 1 to Work Authorization No. 6 are to provide a sketch level Traffic & Revenue Study for overweight trucks that cross the Pharr International Bridge and would utilize the proposed overweight truck corridor and SH 365. The intent of the study is to determine the order of magnitude for diversion of trucks, including overweight trucks, from Nogales, Arizona to the Pharr Port of Entry due to construction of the Mazatlan – Matamoros corridor, which connects the Mexican Pacific Coast to the Rio Grande Valley.

The engineer's level of effort to perform these tasks was also evaluated and calculated to equate to 1.63% of the maximum amount payable to Dannenbaum for program management and engineering. I have attached the engineer's proposed scope and level of effort for the proposed supplemental to the work order for your review and consideration.

Additionally, at the April 17, 2013 meeting, the Planning Committee recommended approval of Supplemental 1 to Work Authorization No. 6.

Based on review by this office, **approval of Supplemental No. 1 to Work Authorization No. 6 is recommended to Dannenbaum Engineering in the amount of \$81,309.04**, leaving a maximum fee balance of \$1,797,533.19.

If you should have any questions or require additional information, please advise.

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

BOARD RESOLUTION No. 2013 – 14

APPROVAL OF SUPPLEMENTAL NUMBER 1 TO WORK
AUTHORIZATION NUMBER 6 TO PROFESSIONAL SERVICES
AGREEMENT WITH DANNENBAUM ENGINEERING CORPORATION TO
PROVIDE A SKETCH LEVEL TRAFFIC AND REVENUE STUDY OF
OVERWEIGHT TRUCK TRAFFIC AT THE PHARR INTERNATIONAL
BRIDGE AND STATE HIGHWAY 365

THIS RESOLUTION is adopted this 2ND day of May, 2013 by the Board of Directors of the Hidalgo County Regional Mobility Authority at a regular meeting.

WHEREAS, the Hidalgo County Regional Mobility Authority (the “Authority”), acting through its Board of Directors (the “Board”), is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the “Act”);

WHEREAS, the Authority is authorized by the Act to address mobility issues in and around Hidalgo County;

WHEREAS, on October 27, 2011 the Authority awarded a professional service agreement for general engineering and program management services to Dannenbaum Engineering Corporation in the maximum payable amount of \$5,000,000;

WHEREAS, the Authority has subsequently approved Work Authorizations Numbers 1, 3, 4, 5 and 6 including Supplemental Number 1 to Work Authorization Number 4, and Supplemental Numbers 1& 2 to Work Authorization Number 5 in the amounts of \$909,960.63, \$57,750.00, \$694,355.85, \$769,236.96 and \$689,834.33 respectively;

WHEREAS, to provide a sketch level Traffic & Revenue Study for Overweight Trucks at the Pharr International Bridge and State Highway 365, Supplemental No. 1 to Work Authorization Number 6 has been prepared by Dannenbaum Engineering and reviewed by HCRMA staff;

WHEREAS, HCRMA staff has negotiated Supplemental No. 1 to Work Authorization Number 6 in the amount of \$81,309.04;

WHEREAS, the Authority has determined it is necessary to approve Supplemental No. 1 to Work Authorization Number 6 to provide a Traffic & Revenue Study for Overweight Trucks at the Pharr International Bridge and State Highway 365;

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS
OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.

Section 2. The Board hereby approves Supplemental No. 1 to Work Authorization Number 6 to the Professional Services Agreement with Dannenbaum Engineering Corporation hereto

attached as Exhibit A.

Section 3. The Board authorizes the Executive Director to execute Supplemental No. 1 to Work Authorization Number 6 as approved.

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A REGULAR MEETING, duly posted and noticed, on the 2nd day of May, 2013, at which meeting a quorum was present.

Dennis Burleson, Chairman

Ricardo Perez, Secretary/Treasurer

EXHIBIT A

SUPPLEMENTAL NO. 1 TO WORK AUTHORIZATION NUMBER 6
OF
PROFESSIONAL SERVICE AGREEMENT WITH DANNENBAUM ENGINEERING
CORPORATION DATED OCTOBER 27, 2011

**SUPPLEMENTAL WORK AUTHORIZATION NO. 1
TO WORK AUTHORIZATION NO. 6**

**SUPPLEMENTAL WORK AUTHORIZATION NO. 1
TO WORK AUTHORIZATION NO. 6**

**ATTACHMENT D-2
AGREEMENT FOR ENGINEERING SERVICES**

THIS SUPPLEMENTAL WORK AUTHORIZATION is made pursuant to the terms and conditions of “Article V of that certain Professional Services Agreement for Program Management Engineering Services” hereinafter identified as the “Agreement,” entered into by and between the Hidalgo County Regional Mobility Authority (Authority), and Dannenbaum Engineering Corporation (the Engineer).

The following terms and conditions of Work Authorization No. 6 are hereby amended as follows:

Part I The scope of services as outlined in Work Authorization No. 6 will include Exhibit ‘B’ Scope of Services to be Provided by the Engineer (Supplemental Agreement No. 1 to Work Authorization No. 6).

Part II The schedule as outlined Work Authorization No. 6 will be amended to include Exhibit ‘C’ Work schedule (Supplemental Agreement No. 1 to Work Authorization No. 6).

Part III The maximum amount payable under this Work Authorization No. 6 will be modified to **\$771,143.37** increasing the original Work Authorization No. 6 by **\$81,309.04**. The Engineer’s Estimated Work Authorization No. 6 costs have been increased in accordance with the attached Exhibit 'D' (Supplemental Agreement No. 1 to Work Authorization No. 6).

This Supplemental Work Authorization shall become effective on the date of final execution of the parties hereto. All other terms and conditions of Work Authorization No. 6 not hereby amended are to remain in full force and effect.

IN WITNESS WHEREOF, this Supplemental Work Authorization is executed in duplicate counterparts and hereby accepted and acknowledged below.

THE ENGINEER

(Signature)
Louis H. Jones, Jr., P.E.

(Printed Name)
Principal

(Title)

(Date)

THE AUTHORITY

(Signature)
Pilar Rodriguez, P.E.

(Printed Name)
Executive Director

(Title)

(Date)

EXHIBIT B (SA 1 to WA 6)
SERVICES TO BE PROVIDED BY THE ENGINEER



**Sketch Level Assessment of
Potential Truck Diversion
from Nogales POE to Texas**

Presented to the



DANNENBAUM

April 15, 2013

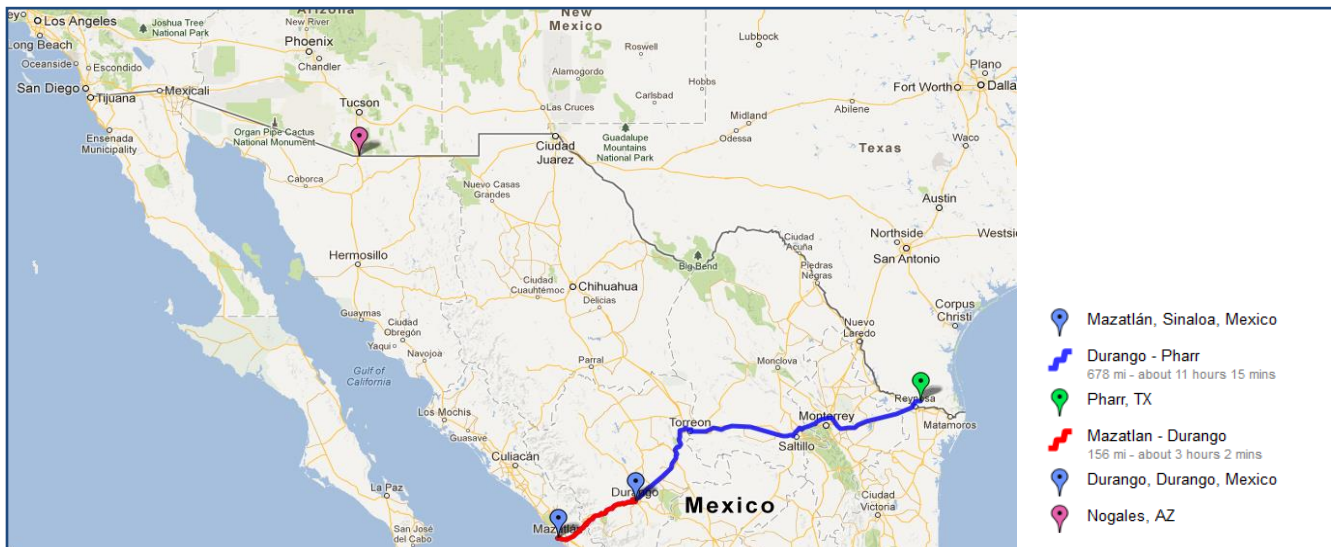
1 PROJECT UNDERSTANDING

Nogales, Arizona is the largest gateway for fresh produce from México accounting for 50 percent of all fruits and vegetables shipped into the United States.¹ The reasons for this include Nogales proximity to the Mexican agricultural zones in the state of Sinaloa and the few options for the transport of produce to the east.

The Durango-Mazatlán highway, expected to open to traffic by the fall of 2013, will be the only high standard crossing for more than 500 miles between the Pacific coast and the interior of México, over the Sierra Madre Occidental Mountains. By cutting a safer, more direct route through the mountains, the Federal Secretary of Communications and Transport (SCT) hopes to improve trade and increase tourism along the larger Mazatlán – Matamoros corridor connecting the Mexican Pacific coast with the Rio Grande Valley in Texas. To achieve design speeds of 55 to 70 mph, the SCT is building a highway with 63 tunnels and 115 bridges; far more than have ever been built on a single road in North America.

It is expected that by utilizing the Mazatlán – Matamoros corridor, the transport of Mexican produce to markets in the eastern United States will experience substantial time savings. As a result, there have been reports of investments in refrigerated warehousing in Hidalgo County, Texas with the expectations that a portion of the Nogales fresh produce market can be captured.

The Hidalgo County Regional Mobility Authority (HCRMA) wishes to develop sketch level estimates of the potential increase in truck crossings from México that may be generated as a result of the opening of the Mazatlán- Matamoros highway.

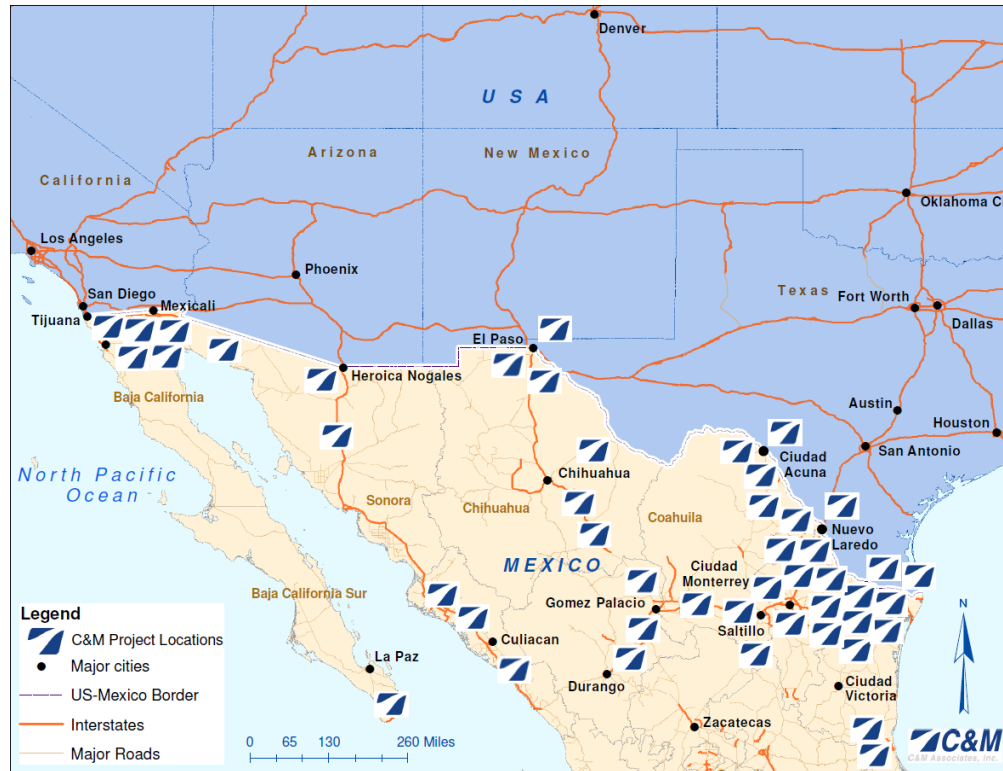


Mazatlán – Durango – Pharr corridor, Source: Google with C&M edits

¹ Arizona-Sonora Border Master Plan, Newsletter Spring 2012

2 RELEVANT EXPERIENCE

As a binational firm with offices in México, C&M has conducted several dozen transportation studies for projects in México as shown in the following figure:



C&M México Relevant Project Locations

Specifically, C&M has conducted several studies for the Monterrey – Saltillo portion of the Mazatlán - Matamoros corridor. The most recent study has been an investment grade traffic and revenue study for the refinancing for the Monterrey - Saltillo toll road in 2012. Although not the focus of the study, the analysis included a preliminary assessment of the effects of the opening of the Mazatlán - Durango highway on the corridor.

Similarly, C&M has also analyzed the Durango - Yerbániz portion of the Mazatlán - Matamoros corridor. This portion of the corridor is the one immediately to the east of the new Mazatlán – Durango highway in the route towards the Rio Grande Valley.

C&M has also conducted a logistics study for the Northeastern Mexico states including Durango, Coahuila, Nuevo León and Tamaulipas, through which the Mazatlán – Matamoros corridor crosses.

3 METHODOLOGY

This study will utilize, primarily, data sources produced by the SCT in México, the Secretary of Economy (SE) and Mexican freight and trade organizations to which C&M's México office has access to. It will also include relevant information produced by the C&M, USDOT, ADOT and TxDOT. No field data collection is considered.

The objective will be to provide a guide on which to base expectations for freight diversion as a result of the opening of the Mazatlán - Durango highway in México and its improvement in travel times from Mexican Pacific coast and from the Mexican Northwest agricultural zones to Hidalgo County Ports of Entry.

Task 1: Project Management/Mobilization

C&M will mobilize immediately upon receiving a Notice to Proceed (NTP).

Task 2 – Preliminary Review of Relevant Highway Infrastructure Supply in México

C&M will conduct a preliminary review of the current state of the corridors that link the relevant zones of origin in México with the Nogales and Pharr POEs in the México-US border. This review includes existing traffic volumes and physical characteristics of the segments.

Task 3 –High Level Zoning of the Study Area

C&M will create a high level zoning framework according to the production and attraction of trips relevant to the project.

Task 4 – Preliminary Demand Analysis

C&M will analyse freight flow demand through the integration of a high level origin – destination matrix between the zones defined in Task 3.

Task 6 – Definition of Performance Indicators

C&M will define performance indicators based on travel times, cost, safety and security. These indicators will be used to define general cost functions to be applied to routes to Nogales and to the Rio Grande Valley considering the ultimate destination of the freight.

Task 7 – Preliminary Freight Assignment

C&M will assign current demand based on the general cost functions obtained in Task 6 to obtain a guide of the possible shares for Hidalgo County POEs of Freight currently crossing at the Nogales POE.

Task 8 – Preliminary Demand Forecast

C&M will prepare, based on a historical trend analysis of freight movements at the relevant POEs, a forecast of possible future demand for a ten year period.

Task 9 –Draft Report

C&M will prepare a Draft report of the findings that will include:

- Project description
- Current and historic traffic conditions
- Low and High Forecasts
- Assumptions table

Task 10 –Final Report

C&M will prepare a Final report two weeks after receipt of comments to the Draft Report.

4 SCHEDULE

C&M estimates that the delivery of the Draft Report will take 60 days after Notice to Proceed.

5 FEE

C&M proposes a labor budget not to exceed \$70,000 for the development of the sketch level assessment plus travel direct expenses charged at actual costs and estimated at about \$4,500 dollars.

EXHIBIT C (SA 1 to WA 6)
WORK SCHEDULE

[illegible]

EXHIBIT D (SA 1 to WA 6)
FEE SCHEDULE/BUDGET

DANNENBAUM ENGINEERING CORPORATION
Program Management Services for the HCRMA Roadway System

SA 1 to WA 6
Schedule Duration: Two Months

EXHIBIT 'D' (Supplemental Agreement No. 1 to Work Authorization No. 6)
Fee Schedule/Budget for
Hidalgo County Regional Mobility Authority (HCRMA)
Program Management Consultant
Supplemental Agreement No. 1 to Work Authorization No. 6
ADDITIONAL SCOPE FOR PREPARATION, OVERSIGHT, AND REVIEW OF SKETCH LEVEL ASSESSMENT OF
POTENTIAL TRUCK DIVERSION FROM NOGALES POE TO TEXAS

PROGRAM MANAGEMENT SERVICES DESCRIPTION	Principal/ Program Manager	QA/QC Officer/ Independent Engineer Officer	Deputy Program Manager (Engineer VI)	Senior Engineer (Engineer V)	Project Engineer (Engineer IV)	Civil Engineer (Engineer III)	Senior Designer	Eng. Tech/CADD	Administrative Assistant	Total Labor Hrs.	Remarks	Task Cost
A. Oversight of Sketch Level Assessment	4		8			16			8	36		\$ 5,654.52
Subtotal	4	0	8	0	0	16	0	0	8	36		\$ 5,654.52
B. Review/Comment of Sketch Level Assessment	4		8			16			8	36		\$ 5,654.52
Subtotal	4	0	8	0	0	16	0	0	8	36	0.0	\$ 5,654.52
LABOR MANHOURS TOTAL	8	0	16	0	0	32	0	0	16	72	CHECK (MHRs):	
LABOR RATE PER HOUR	\$ 314.59	\$ 292.49	\$ 227.70	\$ 176.09	\$ 157.87	\$ 130.55	\$ 97.15	\$ 66.79	\$ 60.72		72	
TOTAL DIRECT LABOR COSTS	\$ 2,516.72	\$ -	\$ 3,643.20	\$ -	\$ -	\$ 4,177.60	\$ -	\$ -	\$ 971.52	\$ 11,309.04		
PERCENT LABOR UTILIZATION FOR TOTAL PROJECT (BASED ON FEE)	22.25%	0.00%	32.21%	0.00%	0.00%	36.94%	0.00%	0.00%	8.59%	100.00%	CHECK (LABOR):	
PERCENT LABOR UTILIZATION FOR TOTAL PROJECT (BASED ON MANHOURS)	11.11%	0.00%	22.22%	0.00%	0.00%	44.44%	0.00%	0.00%	22.22%	100.00%	\$ 11,309.04	
TOTAL DIRECT LABOR COST												\$ 11,309.04
DIRECT EXPENSES	Rate	Unit	Amount	Total								
Lodging / Hotel (\$100.00 / DAY)	\$ 100.00	Each	0	\$ -							\$ -	
Meals (\$30.00 / DAY)	\$ 30.00	Each	0	\$ -							\$ -	
Rental Car	\$ 90.00	Each	0	\$ -							\$ -	
Air Travel	\$ 500.00	Each	0	\$ -							\$ -	
Parking	\$ 14.00	Each	0	\$ -							\$ -	
Overnight Mail - letter size	\$ 50.00	Each	0	\$ -							\$ -	
Courier Services	\$ 50.00	Each	0	\$ -							\$ -	
Photocopies B/W (8.5 X 11)	\$ 0.10	Each	0	\$ -							\$ -	
Photocopies B/W (11 X 17)	\$ 0.20	Each	0	\$ -							\$ -	
Photocopies Color (8.5 X 11)	\$ 0.70	Each	0	\$ -							\$ -	
Photocopies Color (11 X 17)	\$ 1.25	Each	0	\$ -							\$ -	
Color Graphics on Foam Board	\$ 5.00	Each	0	\$ -							\$ -	
Newspaper Advertisement	\$ 3,000.00	Each	0	\$ -							\$ -	
Court Reporter (Public Hearings & Transcription)	\$ 100.00	Each	0	\$ -							\$ -	
Translator (English to Spanish or Sign Language)	\$ 150.00	Each	0	\$ -							\$ -	
Public Involvement Facility Rental	\$ 500.00	Each	0	\$ -							\$ -	
Public Outreach Liaison - (6 Months - Jan, Feb, March, April, May, June 2013))	\$ 15,000.00	Month	0	\$ -							\$ -	
Accounting Support Services	\$ 100.00	Each	0	\$ -							\$ -	
IT / Support Services (includes time on ProjectWise Implementation/Data Organization @ 55 hrs)	\$ 80.00	Each	0	\$ -							\$ -	
Bing Maps Annual Subscription Fee	\$ 7,000.00	Each	0	\$ -							\$ -	
Management Support Services	\$ 80.00	Each	0	\$ -							\$ -	
Community Action Support	\$ 90.00	Each	0	\$ -							\$ -	
TOTAL DIRECT EXPENSES												\$ -
PROJECT MANAGEMENT SERVICES (SUBCONSULTANTS) (6.0 Months)												
C&M ASSOCIATES, INC. TRAFFIC AND REVENUE CONSULTANT											\$ 70,000.00	
TOTAL SPECIAL SERVICES FEE (SUBCONSULTANTS)											\$ 70,000.00	\$ 70,000.00
GRAND TOTAL												\$ 81,309.04
ASSUMPTIONS												
NONE												

This Page
Intentionally
Left Blank

Item 3B

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

AGENDA RECOMMENDATION FORM

BOARD OF DIRECTORS	<u> X </u>	AGENDA ITEM	<u> 2C </u>
PLANNING COMMITTEE	<u> </u>	DATE SUBMITTED	<u> 04/29/13 </u>
FINANCE COMMITTEE	<u> </u>	MEETING DATE	<u> 05/02/13 </u>
TECHNICAL COMMITTEE	<u> </u>		

2. Agenda Item: **RESOLUTION 2013-15 – APPROVAL OF SUPPLEMENTAL NO. 4 TO WORK AUTHORIZATION NO. 6 TO PROFESSIONAL SERVICE AGREEMENT WITH DANNENBAUM ENGINEERING TO PREPARE AND SUBMIT A TRANSPORTATION INVESTMENT GENERATING ECONOMIC RECOVERY (TIGER) GRANT TO THE US DEPARTMENT OF TRANSPORTATION FOR STATE HIGHWAY 365 PROJECT.**

2. Nature of Request: (Brief Overview) Attachments: X Yes No

Approval of Supplemental No. 4 to Work Authorization No. 6 for preparation and submittal of a TIGER Grant to the US Department of Transportation for the SH 365 Project. \$473.847 Million is available for TIGER Grants in 2013. Grant applications are due June 3, 2013.

3. Policy Implication: Board Policy, Local Government, Texas Government Code, Texas Transportation Code, TxDOT Policy

4. Budgeted: Yes X No N/A **Supplemental 2 & 3 will be submitted at a later date for consideration**

Funding Source: Loop Fund

Maximum amount payable	\$5,000,000.00	100%
Work Authorization No. 1	(\$ 909,960.63)	-18.19%
Work Authorization No. 2 (cancelled)	(\$ 0.00)	0%
Work Authorization No. 3	(\$ 57,750.00)	-1.16%
Work Authorization No. 4	(\$ 891,814.61)	-17.84%
Supplemental No. 1 to WA No. 4	\$ 197,458.76	3.95%
Work Authorization No. 5	(\$ 769,236.96)	-15.38%
Work Authorization No. 6	(\$ 689,834.33)	-13.80%
Supplemental No. 1 to WA No. 6	(\$ 81,309.04)	- 1.63%
Supplemental No. 4 to WA No. 6	(\$ 94,837.37)	- 1.90%
Maximum fee balance	\$1,702,715.82	34.05%

Total authorized for WA 1, 3, 4, 5 & 6	\$3,121,137.77
Payments to date for WA 1, 3, 4, 5 & 6	(\$2,776,220.61)
Work Authorization balance	\$ 344,917.16

7. Staff Recommendation: **Motion to approve Resolution 2013-15 – Approval of Supplemental No. 4 to Dannenbaum Work Authorization Number 6 in the amount of \$94,837.37, leaving a maximum fee balance of \$1,702,715.82.**

6. Program Manager's Recommendation: X Approved Disapproved None

7. Planning Committee's Recommendation: X Approved Disapproved X None

8. Board Attorney's Recommendation: Approved Disapproved X None

9. Executive Director's Recommendation: X Approved Disapproved None



Memorandum

To: Dennis Burleson, Chairman
From: Pilar Rodriguez, PE, Executive Director
Date: April 29, 2013
Re: **Supplemental No. 4 to Dannenbaum Engineering Work Authorization Number 6**

At the October 27, 2011, regular meeting, the Board of Directors awarded a professional service agreement for general engineering and program management services to Dannenbaum Engineering in the maximum payable amount of \$5,000,000. Subsequently, the Board has approved Work Authorizations No. 1, 3, 4, 5 and 6 in the amounts of \$909,960.63, \$57,750.00, \$891,814.61, \$769,236.96 and \$689,834.33 respectively.

Work Authorization No. 1 was to review prior engineering, surveying, environmental and permitting work provided to the Hidalgo County Regional Mobility Authority (HCRMA), Work Authorization No. 2 was cancelled by the HCRMA Board, Work Authorization No. 3 was to provide title reports for the SH 365, Work Authorization No. 4. was to update the new Executive Director, oversee the update of T&R study, oversee environmental clearance/preliminary design of SH 365 and oversee various other tasks related to SH 365 and IBTC Projects, and Work Authorization No. 5 & 6 are to continue Program Management for SH 365 and IBTC Projects. Supplemental No. 1 to Work Authorization No. 6 is proposed to provide a sketch level Traffic & Revenue Study for overweight trucks that cross the Pharr International Bridge and utilize the proposed overweight corridor and SH 365. Supplemental No. 2 & 3 will be submitted at the next Regular Meeting for the Boards consideration.

Dannenbaum's tasks under Supplemental No. 4 to Work Authorization No. 6 are to prepare and submit a Transportation Investment Generating Economic Recovery (TIGER) Grant application to the US Department of Transportation for State Highway 365. The US Department of Transportation has \$473.847 Million available for the 2013 grant application call. The TIGER Grant application is due on June 3, 2013.

The engineer's level of effort to perform these tasks was also evaluated and calculated to equate to 1.90% of the maximum amount payable to Dannenbaum for program management and engineering. I have attached the engineer's proposed scope and level of effort for the proposed supplemental to the work order for your review and consideration.

Additionally, at the April 17, 2013 meeting, the Planning Committee recommended approval of Supplemental 4 to Work Authorization No. 6.

Based on review by this office, **approval of Supplemental No. 1 to Work Authorization No. 6 is recommended to Dannenbaum Engineering in the amount of \$94,837.37**, leaving a maximum fee balance of \$1,702,715.82.

If you should have any questions or require additional information, please advise.

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

BOARD RESOLUTION No. 2013 – 15

APPROVAL OF SUPPLEMENTAL NUMBER 2 TO WORK
AUTHORIZATION NUMBER 6 TO PROFESSIONAL SERVICES
AGREEMENT WITH DANNENBAUM ENGINEERING CORPORATION TO
PREPARE AND SUBMIT A TRANSPORTATION INVESTMENT
GENERATING ECONOMIC RECOVERY (TIGER) GRANT TO THE UNITED
STATES DEPARTMENT OF TRANSPORTATION FOR STATE HIGHWAY
365

THIS RESOLUTION is adopted this 2ND day of May, 2013 by the Board of Directors of the Hidalgo County Regional Mobility Authority at a regular meeting.

WHEREAS, the Hidalgo County Regional Mobility Authority (the “Authority”), acting through its Board of Directors (the “Board”), is a regional mobility authority created pursuant to Chapter 370, Texas Transportation Code, as amended (the “Act”);

WHEREAS, the Authority is authorized by the Act to address mobility issues in and around Hidalgo County;

WHEREAS, on October 27, 2011 the Authority awarded a professional service agreement for general engineering and program management services to Dannenbaum Engineering Corporation in the maximum payable amount of \$5,000,000;

WHEREAS, the Authority has subsequently approved Work Authorizations Numbers 1, 3, 4, 5 and 6, including Supplemental Number 1 to Work Authorization Number 4, Supplemental Numbers 1& 2 to Work Authorization Number 5 and Supplemental Number 1 to Work Authorization Number 6 in the amounts of \$909,960.63, \$57,750.00, \$694,355.85, \$769,236.96 and \$771,143.37 respectively;

WHEREAS, to provide and submit a Transportation Investment Generating Economic Recovery (TIGER) Grant application to the United States Department of Transportation for State Highway 365, Supplemental No. 4 to Work Authorization Number 6 has been prepared by Danennbaum Engineering and reviewed by HCRMA staff;

WHEREAS, HCRMA staff has negotiated Supplemental No. 4 to Work Authorization Number 6 in the amount of \$94,837.37;

WHEREAS, the Authority has determined it is necessary to approve Supplemental No. 4 to Work Authorization Number 6 to provide and submit a TIGER Grant application for State Highway 365;

NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS
OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY THAT:

Section 1. The recital clauses are incorporated in the text of this Resolution as if fully restated.

Section 2. The Board hereby approves Supplemental No. 4 to Work Authorization Number 6 to the Professional Services Agreement with Dannenbaum Engineering Corporation hereto attached as Exhibit A.

Section 3. The Board authorizes the Executive Director to execute Supplemental No. 4 to Work Authorization Number 6 as approved.

PASSED AND APPROVED AS TO BE EFFECTIVE IMMEDIATELY BY THE BOARD OF DIRECTORS OF THE HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY AT A REGULAR MEETING, duly posted and noticed, on the 2nd day of May, 2013, at which meeting a quorum was present.

Dennis Burleson, Chairman

Ricardo Perez, Secretary/Treasurer

EXHIBIT A

SUPPLEMENTAL NO. 4 TO WORK AUTHORIZATION NUMBER 6
OF
PROFESSIONAL SERVICE AGREEMENT WITH DANNENBAUM ENGINEERING
CORPORATION DATED OCTOBER 27, 2011

**SUPPLEMENTAL WORK AUTHORIZATION NO. 4
TO WORK AUTHORIZATION NO. 6**

**SUPPLEMENTAL WORK AUTHORIZATION NO. 4
TO WORK AUTHORIZATION NO. 6**

**ATTACHMENT D-2
AGREEMENT FOR ENGINEERING SERVICES**

THIS SUPPLEMENTAL WORK AUTHORIZATION is made pursuant to the terms and conditions of “Article V of that certain Professional Services Agreement for Program Management Engineering Services” hereinafter identified as the “Agreement,” entered into by and between the Hidalgo County Regional Mobility Authority (Authority), and Dannenbaum Engineering Corporation (the Engineer).

The following terms and conditions of Work Authorization No. 6 are hereby amended as follows:

Part I. The scope of services as outlined in Work Authorization No. 6 will include Exhibit ‘B’ Scope of Services to be Provided by the Engineer (Supplemental Agreement No. 4 to Work Authorization No. 6).

Part II. The schedule as outlined Work Authorization No. 6 will be amended to incorporate Exhibit ‘C’ Work schedule (Supplemental Agreement No. 4 to Work Authorization No. 6).

Part III. The maximum amount payable under this Work Authorization No. 6 will be modified to **\$1,361,821.35** increasing the original Work Authorization No. 6 by **\$94,837.37**. The Engineer’s Estimated Work Authorization No. 6 costs have been increased in accordance with the attached Exhibit ‘D’ (Supplemental Agreement No. 4 to Work Authorization No. 6).

This Supplemental Work Authorization shall become effective on the date of final execution of the parties hereto. All other terms and conditions of Work Authorization No. 6 not hereby amended are to remain in full force and effect.

IN WITNESS WHEREOF, this Supplemental Work Authorization is executed in duplicate counterparts and hereby accepted and acknowledged below.

THE ENGINEER

(Signature)
Louis H. Jones, Jr., P.E.

(Printed Name)
Principal

(Title)

(Date)

THE AUTHORITY

(Signature)
Pilar Rodriguez, P.E.

(Printed Name)
Executive Director

(Title)

(Date)

EXHIBIT B (SA 4 to WA 6)
SERVICES TO BE PROVIDED BY THE ENGINEER

EXHIBIT B (SA 4 to WA 6)
SERVICES TO BE PROVIDED BY THE ENGINEER

TASK ASSIGNMENT

HCRMA

TIGER V Grant Preparation

April 27, 2013

EXHIBIT B (SA 4 to WA 6)
SERVICES TO BE PROVIDED BY THE ENGINEER

TIGER V Grant Application
Scope of Services

Project Understanding

The Hidalgo County Regional Mobility Authority is pursuing TIGER V funding as part of the capital financing for the construction of the Hidalgo County Loop which includes SH 365 -formerly known as the Trade Corridor Connector (TCC), and the International Bridge Trade Corridor (IBTC).

In April 2013, the United States Department of Transportation (USDOT) announced the forthcoming issuance of the latest round of Transportation Investment Generating Economic Recovery (TIGER) Grants, commonly referred to as TIGER V. TIGER V is a program of the American Recovery and Reinvestment Act of 2009, which has the following objectives: preserving and creating jobs, promoting economic recovery, and investing in transportation infrastructure to provide long-term economic benefits. Following on the previous TIGER grants, the USDOT is issuing this fifth round of competitive grants for national infrastructure investments.

The TIGER Discretionary Grants framework outlines how projects will be ranked for award of funds, based on primary and secondary selection criteria. The primary selection criteria include:

Long-Term Outcomes

Job Creation and Near-term Economic Activity

Project Timeline, Readiness, and risk of delays (new with this round of TIGER)

Long-Term Outcomes are defined in terms of: state of good repair; economic competitiveness; livability; environmental sustainability; and safety. The other primary selection criteria for TIGER Discretionary Grants are the near-term jobs creation and economic activity potential of the project. This includes factors such as near-term and longer-term direct job creation; how rapidly the project will be implemented and thus promoting economic activity; and whether the economic activity will be in economically distressed areas. The secondary selection criteria relate to Innovation and Partnership.

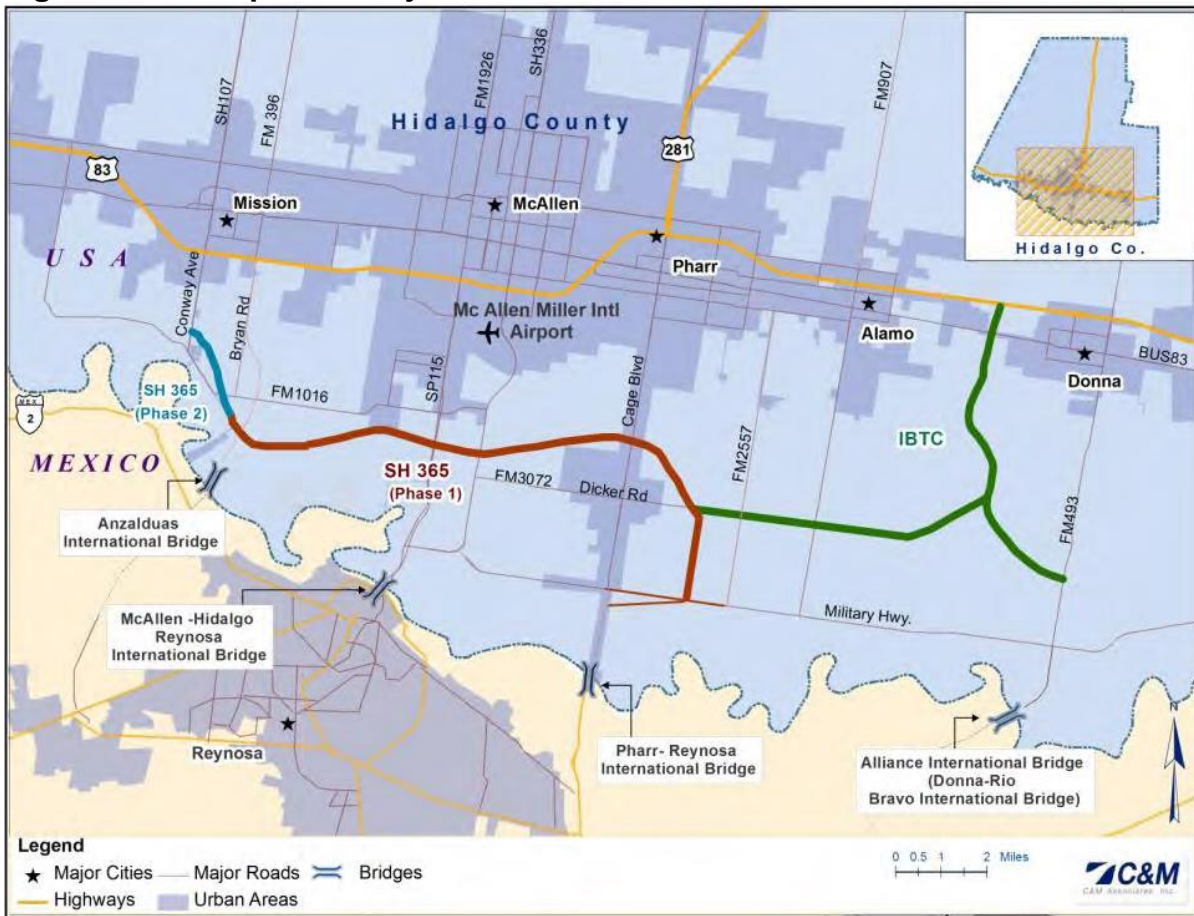
The primary deliverable will be necessary application materials for a complete and final version of TIGER V 2013 grant application.

Due to the short timeframe for USDOT to obligate funds, TIGER V applications “must include a detailed statement of work, detailed project schedule, and detailed project budget”. In addition, “project readiness and the risk of delays will be treated as primary selection criteria in DOT’s evaluation process”. This will require that the HDR team work closely with HCRMA to provide the necessary project information at a level of detail that meets the expectations of the USDOT.

EXHIBIT B (SA 4 to WA 6) SERVICES TO BE PROVIDED BY THE ENGINEER

This proposal outlines a methodology, compliant with the *TIGER Discretionary Grants Final Notice of Funding Availability* which outlines the selection criteria guidance by which HDR will develop and monetize public benefits and estimate near- and long-term jobs. Other application requirements and HDR's plan to meet these requirements are also provided in this proposal.

Figure 1 Proposed Project



Project Work Plan

Staff from HDR Engineering, Inc. (Consultant), along with staff support from Danenbaum Engineering, will complete the following tasks:

Task 1: Project Management

Task 2: Project Kick-off Conference Call

EXHIBIT B (SA 4 to WA 6)
SERVICES TO BE PROVIDED BY THE ENGINEER

Task 3: Support for Decision-Making Process

Task 4: Review Available Data for Selected Project

Task 5: Develop Economic Model

Task 6: Produce and Validate BCA Results

Task 7: Produce and Validate EIA Results

Task 8: Develop Supplementary Documentation

Task 9: Prepare & Review Full TIGER V Application

Task 1 Project Management

Task 1 covers all project management tasks including work progress reporting, financial management, and schedule management.

Task 2 Project Kick-Off Conference Call

HDR will convene a meeting by teleconference with HCRMA and Danenbaum to discuss the TIGER V requirements, the application strategy, information requirements and schedule.

Key activities to accomplish during this call include:

- Develop an outline for the grant proposal in accordance with the reporting requirements of the TIGER V grant application

- Identify and compile the requisite information needed to complete the grant application, including further defining the baseline

- Address in the application the issue of “independent utility” as defined (will the benefit of repairs to one bridge be realized, if the other system bridge needs are not addressed)

Task 3 Support for Decision Making Process

HDR will support limited analysis for funding request options.

HCRMA may be considering a range of options for setting its funding request level, based on inclusion of multiple segments of the project. HDR will support up to two total funding request options, including estimating project benefits relative to costs, as part of the overall economic modeling process.

EXHIBIT B (SA 4 to WA 6)
SERVICES TO BE PROVIDED BY THE ENGINEER

Task 4 Review Available Data for Selected Project

This task involves a review of HCRMA data in support of the TIGER application, including data updates for capital and operating costs associated with system construction as well as traffic and revenue and other transportation forecast data. Economic and demographic data collected during this task will be used to comply with TIGER IV requirements for assessment of economic distress. This information, along with economic impact multipliers, facilitates the estimation of near- and long-term jobs impacts.

Task 5 Develop Economic Model

HDR will develop an economic forecast model in compliance with TIGER V and other relevant USDOT guidance.

As was the case with previous TIGER programs, TIGER V requires the estimation of benefits and costs associated with the proposed project. HDR will work closely with HCRMA to understand the planned operational concept and associated impacts on regional transportation.

The TIGER guidance defines its Primary and Secondary Selection Criteria for projects it will fund. Primary Selection Criteria are intended to capture the primary objective of the TIGER provisions, which is to invest in infrastructure projects that will have a significant impact on the nation, a metropolitan area, or a region. The secondary selection criteria are intended to capture the benefits of new and/or innovative approaches to achieving this programmatic objective. Per TIGER V guidance, HDR's BCA includes output that is consistent with both sets of criteria.

Full applications for funding should include a rigorous Benefit-Cost Analysis (BCA), where the derivation of a project's costs and benefits are demonstrated clearly. US DOT guidelines further specify that applications must include in their analysis estimates of a project's benefits with respect to five long-term outcomes:

- State of Good Repair: Improving the condition of existing transportation facilities and systems, with particular emphasis on projects that minimize life-cycle costs;
- Economic Competitiveness: Contributing to the economic competitiveness of the United States over the medium-to long-term, as well as short term job creation, often estimated via a traditional Economic Impact Analysis (which are not included in the benefit-cost analysis but are included in the summary of economic effects);
- Livability: Fostering livable communities through place-based policies and investments that increase transportation choices and access to transportation services for people in communities across the United States;

EXHIBIT B (SA 4 to WA 6)
SERVICES TO BE PROVIDED BY THE ENGINEER

- Environmental Sustainability: Improving energy efficiency, reducing dependence on oil, reducing greenhouse gas emissions and benefitting the environment; and
- Safety: Improving the safety of U.S. transportation facilities and systems.

Long-Term Outcomes are defined in terms of: state of good repair; economic competitiveness; livability; environmental sustainability; and safety. The other primary selection criteria for TIGER Discretionary Grants are the near-term jobs creation and economic activity potential of the project. This includes factors such as near-term and longer-term direct job creation; how rapidly the project will be implemented and thus promoting economic activity; and whether the economic activity will be in economically distressed areas. The secondary selection criteria relate to Innovation and Partnership. HDR will work with the port to update, as appropriate, these secondary criteria.

Table 1: Examples of Project Benefits for TIGER III

TIGER Long-Term Criteria	Likely Benefit(s)	Description
State of Good Repair	Reduced risk of accidents and system failure	Reductions in monetary costs for maintenance to the County
Economic Competitiveness	Increased competitiveness of the area	Decreased congestion, delays and improved accessibility
Livability	Travel Time Savings and Vehicle Operating Costs (VOC)	Door-to-door trip time and VOC savings
Sustainability	Emissions Reductions	Reductions in pollutants and greenhouse gasses due to more efficient travel
Safety	Accident Reduction	Reductions in property losses and injuries and deaths due to reductions in automobile use

TIGER V also requires an assessment of whether the region in which the project is to occur is considered an Economically Disadvantaged Area (EDA). HDR will review economic and demographic information for the Portsmouth region to satisfy the TIGER V requirement.

EXHIBIT B (SA 4 to WA 6)
SERVICES TO BE PROVIDED BY THE ENGINEER

Task 6 Produce and Validate BCA Results

HDR will use an MS Excel based simulation model, developed under Task 5, to generate BCA results for the project. HDR will produce estimates of various public value indicators such as Net Present Value, Benefit/Cost Ratio and Internal Rate of Return.

As required in the Notice of Funding Availability (NOFA), key variables will be flagged for testing and the model will be re-run and results generated based on key material events.

Task 7 Produce and Validate EIA Results

HDR will use economic multipliers specific to the study area from the IMPLAN model developed by the Minnesota IMPLAN Group, to generate estimates of output (Gross State Product), employment, employment income and taxes will be estimated for each of direct, indirect and induced effects. These will specify the direct, indirect and induced economic activity resulting from the initial stimulus as those funds are anticipated to be re-spent through the economy.

Task 8 Develop Supplementary Documentation

The application will include a short appendix that briefly describes the evaluation approach, the data and assumptions used, and present the results and the sensitivity analysis conducted. The annualized calculation of the benefits and costs with discounting are presented in the appendix in the format described in the NOFA.

Deliverable: Draft and Final Economic Analysis Appendix

Task 9 Prepare & Review Full TIGER V Application

HDR will develop a final version of the TIGER V grant application for either electronic or paper submittal to the USDOT on or before May 31, 2013. The TIGER V grant application will include the following project narrative generally following the basic outline below:

Project Description/Summary

Primary Point of Contact

Project Partners

Grant Funds and Sources/Uses of Project Funds

Selection Criteria

- Short and Long-Term Outcomes

1. State of Good Repair - Improving the condition of existing transportation facilities and systems;

EXHIBIT B (SA 4 to WA 6)
SERVICES TO BE PROVIDED BY THE ENGINEER

2. Economic Competitiveness - Contributing to the medium- to long-term economic competitiveness of the United States;
3. Livability - Fostering livable communities through place based policies and investments that increase transportation choices and access to transportation services for people;
4. Sustainability - Improving energy efficiency, reducing dependence on oil, reducing greenhouse gas emissions;
5. Safety - Improving the safety of U.S. transportation facilities.
 - Job Creation and Economic Stimulus (Application Appendix A - Benefit-Cost Analysis)
 - Innovation
 - Partnership
 - Project Timeline, Readiness, and risk of delays

Expected Benefits and Costs of the Project (Application Appendix A - Benefit-Cost Analysis)

The application will include:

- Standard Form 242
- A Project Narrative
- Description of Project Funding – Sources and uses (including state/local matching funds)
- Description of Project Readiness and NEPA completion
- Federal Wage Rate Certification
- Description of any Innovation and Partnership features of the project based on existing documentation and client Input

Deliverable: Full TIGER V Grant Application

EXHIBIT B (SA 4 to WA 6)
SERVICES TO BE PROVIDED BY THE ENGINEER

Assumptions:

HCRMA will work with HDR to finalize the build scenario data and assumptions, as well as no-build estimates of travel demand and system performance.

Project kick-off must occur the week of April 29, 2013 to provide adequate time for application completion.

Data requested from HCRMA in support of this application shall be provided to HDR within one week of the project kick-off to allow timely completion of the application. This includes cost data for project, the funding plan, travel demand, traffic and revenue data in digitalized format, as well as project construction timing information.

HCRMA will be responsible for review and comment on draft deliverables within three business days of receipt from HDR, including coordination of any third party reviews.

All scoped meetings will occur at Dannenbaum's or HCRMA's facilities or by telephone.

HCRMA will be responsible for submitting the application to USDOT in compliance with the Notice of Funding Availability.

HCRMA will become registered with grants.gov in time to submit the application.

Information and Materials Supplied by HCRMA:

The Consultant requests that HCRMA provide all available project and grant related information and records needed for the TIGER V grant application in person, via phone, email or by fax, in order to meet the application deadline.

EXHIBIT B (SA 4 to WA 6)
SERVICES TO BE PROVIDED BY THE ENGINEER

Schedule

Given the hard deadlines for submittal of the TIGER grant application, adherence to a set schedule is particularly important for both HDR and HCRMA. This section outlines a schedule for the benefit-cost analysis and development of documentation for the application. In some cases, key milestones are not within HDR's control. If HCRMA is unable to meet the milestones within its control, HDR may not be able to complete the application by the May 31, 2013 deadline. (Note: final applications must be submitted through Grants.gov on or before June 3, 2013, at 5:00 p.m. EDT).

ACTIVITY	Time Frame
Notice to Proceed/Project Kick-off	April 29, week of
HCRMA transmits project data to HDR	within one week of kick-off
Draft economic analysis results (Word)	May 21
Draft sections for application	May 23
Draft economic analysis supplementary documentation	May 27
HCRMA completes all documentation review	May 20
Final primary and supplementary documentation	May 21
HCRMA submits application to USDOT	No later than June 3, 2013

NATIONAL INFRASTRUCTURE INVESTMENTS: STRATEGIC FUNDING APPROACH



HDR has assisted with 19 percent
of TIGER grant awards.
These awards total
\$3 billion in funded projects.

Making Your Case

Cyclical and long-term funding constraints have led to an increasingly competitive funding environment, particularly for large transportation investments. Programs require that prospective projects show their worth via quantitative assessments of costs and benefits so funding agencies can better choose which investments generate the best returns.

Whether you're navigating the Transportation Investment Generating Economic Recovery (TIGER) grants, which began under the American Recovery and Reinvestment Act, MAP-21's changes to various surface transportation programs, or other funding sources, asking for project-specific federal funds requires a solid benefit-cost analysis to make the case.

Strategizing for Success

A quality transportation network – or lack thereof – impacts all of us, including the communities in which our employees live and work. That's why HDR's dedicated professionals are working directly with our clients to advance projects under this unprecedented legislation.

HDR can help you craft a strategy to put your community or program in the forefront for funding consideration. Specifically, we can help you:

- Identify and prioritize projects that provide the greatest financial and sustainable return on investment



www.hdrinc.com

NATIONAL INFRASTRUCTURE INVESTMENTS: STRATEGIC FUNDING APPROACH

- Demonstrate the economic, environmental and community benefits of projects
- Pinpoint sources of additional funding and alternative methods of implementation
- Provide transparency in implementation and reporting

Our success is in the numbers. HDR assisted clients in successfully competing for 19 percent of the total funds available over four rounds of TIGER grant awards, as well as 18 percent of the successful High-Speed Intercity Passenger Rail applications. These awards total \$3 billion in funding.

	Awardees	Value of Awards \$M	Value of Awards to HDR Assisted Applications \$M	% Funds to HDR Assisted Applicants
TIGER I	51	\$1,498	\$295	20%
TIGER II*	42	\$557	\$114	20%
TIGER III	46	\$511	\$85	17%
TIGER IV	47	\$485	\$92	19%
Total	186	\$3,052	\$585	19%

**Capital awards only*

Securing Support

HDR provides comprehensive services and innovative tools to help communities and public entities at all levels demonstrate the benefits of their transportation infrastructure programs. Our economics professionals conduct rigorous benefit-cost analysis to help decision makers prioritize worthy but competing projects for funding based on maximum economic, environmental and community benefits. Sometimes, traditional financial tools are insufficient in accounting for non-cash benefits. HDR's proprietary Sustainable Return on Investment (SROI) process provides clients with the added ability to consider all project benefits and present a strong "green business case" when applying for federal funds.

The magnitude of demand for available dollars challenges organizations to be accountable and provide transparency. Communities with performance measurement and tracking systems in place will be properly positioned for the scrutiny applied to all types of stimulus funding. They will also build credibility with funding agencies, enhancing their odds of receiving future grants.

HDR can establish reporting systems to support your use of funding. Our approach fosters buy-in and goodwill by engaging stakeholders in the evaluation of project options, benefits, costs and risks. We also produce reports in a variety of formats to effectively communicate benefits to stakeholders with varying interests. The end result is a collaborative effort that incorporates stakeholder input and feedback.



About HDR

HDR—no. 7 among Engineering News-Record's Top 50 Transportation firms—provides planning, design, program management, environmental, economics, construction and security services through a variety of delivery methods, including design-build. Our transportation professionals are part of a 7,800-person, full-service architectural, engineering and consulting network in 185 offices worldwide. In partnership with our clients and communities, we are working to enhance capacity, increase mobility and maintain safety and security. Learn more at www.hdrinc.com/transportation.



EXHIBIT C (SA 4 to WA 6)
WORK SCHEDULE

DANNENBAUM ENGINEERING CORPORATION																								
HCRMA - SA 4 to WA 6																								
										2013														
Task Description										MAY			JUN			JUL			AUG			SEP		
A. Oversight TIGER Grant Application for SH 365																								
B. Prepare/Submit TIGER Grant Application for SH 365																								

EXHIBIT D (SA 4 to WA 6)
FEE SCHEDULE/BUDGET

DANNENBAUM ENGINEERING CORPORATION
Program Management Services for the HCRMA Roadway System
SA 4 to WA 6
Prime: Dannenbaum Engineering Corporation
Schedule Duration: TBD

EXHIBIT 'D' (Supplemental Agreement No. 4 to Work Authorization No. 6)
Fee Schedule/Budget for
Hidalgo County Regional Mobility Authority (HCRMA)
Program Management Consultant
Supplemental Agreement No. 4 to Work Authorization No. 6
ADDITIONAL SCOPE FOR OVERSIGHT AND PREPARATION OF
TIGER GRANT APPLICATION FOR SH 365

PROGRAM MANAGEMENT SERVICES DESCRIPTION	Principal/ Program Manager	QA/QC Officer/ Independent Engineer Officer	Deputy Program Manager (Engineer VI)	Senior Engineer (Engineer V)	Project Engineer (Engineer IV)	Civil Engineer (Engineer III)	Senior Designer	Eng. Tech/CADD	Administrative Assistant	Total Labor Hrs.	Remarks	Task Cost	
A. TIGER Grant Application for SH 365													
1) Data gathering						12			30	42		\$ 3,388.20	
2) Management	6	2								8		\$ 2,472.52	
3) Review		6	2			16				24		\$ 4,299.14	
Subtotal	6	8	2	0	0	28	0	0	30	74		\$ 10,159.86	
LABOR MANHOURS TOTAL	6	8	2	0	0	28	0	0	30	74	CHECK (MHRs): 74		
LABOR RATE PER HOUR	\$ 314.59	\$ 292.49	\$ 227.70	\$ 176.09	\$ 157.87	\$ 130.55	\$ 97.15	\$ 66.79	\$ 60.72				
TOTAL DIRECT LABOR COSTS	\$ 1,887.54	\$ 2,339.92	\$ 455.40	\$ -	\$ -	\$ 3,655.40	\$ -	\$ -	\$ 1,821.60	\$ 10,159.86			
PERCENT LABOR UTILIZATION FOR TOTAL PROJECT (BASED ON FEE)	18.58%	23.03%	4.48%	0.00%	0.00%	35.98%	0.00%	0.00%	17.93%	100.00%	CHECK (LABOR):		
PERCENT LABOR UTILIZATION FOR TOTAL PROJECT (BASED ON MANHOURS)	8.11%	10.81%	2.70%	0.00%	0.00%	37.84%	0.00%	0.00%	40.54%	100.00%	\$ 10,159.86		
TOTAL DIRECT LABOR COST												\$ 10,159.86	
DIRECT EXPENSES	Rate	Unit	Amount	Total									
Lodging / Hotel (\$100.00 / DAY)	\$ 100.00	Each	5	\$ 500.00							\$ 500.00		
Meals (\$30.00 / DAY)	\$ 30.00	Each	5	\$ 150.00							\$ 150.00		
Rental Car	\$ 90.00	Each	2	\$ 180.00							\$ 180.00		
Air Travel	\$ 500.00	Each	5	\$ 2,500.00							\$ 2,500.00		
Parking	\$ 14.00	Each	0	\$ -							\$ -		
Overnight Mail - letter size	\$ 50.00	Each	1	\$ 50.00							\$ 50.00		
Courier Services	\$ 50.00	Each	1	\$ 50.00							\$ 50.00		
Photocopies B/W (8.5 X 11)	\$ 0.10	Each	500	\$ 50.00							\$ 50.00		
Photocopies B/W (11 X 17)	\$ 0.20	Each	100	\$ 20.00							\$ 20.00		
Photocopies Color (8.5 X 11)	\$ 0.70	Each	500	\$ 350.00							\$ 350.00		
Photocopies Color (11 X 17)	\$ 1.25	Each	100	\$ 125.00							\$ 125.00		
Presentation Boards 30" X 40" Color Mounted	\$ 30.00	Each	12	\$ 360.00							\$ 360.00		
TOTAL DIRECT EXPENSES				\$ 4,335.00							\$ 4,335.00	\$ 4,335.00	
PROJECT MANAGEMENT SERVICES (SUBCONSULTANTS) (6.0 Months)													
HDR Engineering, Inc.										Value Engineering Consultant		\$ 80,342.51	
										TOTAL SPECIAL SERVICES FEE (SUBCONSULTANTS)		\$ 80,342.51	\$ 80,342.51
GRAND TOTAL												\$ 94,837.37	
ASSUMPTIONS													
NONE													

DANNENBAUM ENGINEERING CORPORATION
Program Management Services for the HCRMA Roadway System
SA 4 to WA No. 6
Subconsultant: HDR Engineering
Schedule Duration: TBD

EXHIBIT 'D' (Supplemental Agreement No. 4 to Work Authorization No. 6)
Fee Schedule/Budget for
Hidalgo County Regional Mobility Authority (HCRMA)
Program Management Consultant
Supplemental Agreement No. 4 to Work Authorization No. 6
ADDITIONAL SCOPE FOR OVERSIGHT AND PREPARATION OF
TIGER GRANT APPLICATION FOR SH 365

PROGRAM MANAGEMENT SERVICES DESCRIPTION	Funding Revenue Specialist	Procurement Specialist	Budgets / Contracts / Controls	Senior Engineer (V)	Project Engineer (IV)	Senior Designer	Document Control Specialist	Admin Assistant	Total Labor Hrs.	Remarks	Task Cost
A. TIGER Grant Application for SH 365											
Task 0: Project Management	12	8			6			8	34		\$ 6,550.76
Task 1: Project Kick-off Conference Call	4	2			12			0	18		\$ 3,356.40
Task 2: Guidance Call with USDOT	8	0			0			0	8		\$ 2,036.96
Task 3: Support for Decision-Making Process	8	2			0			0	10		\$ 2,569.36
Task 4: Review Available Data for Selected Project	12	4			32			0	48		\$ 8,934.96
Task 5: Develop Economic Model	16	0			32			0	48		\$ 8,888.64
Task 6: Produce and Validate BCA Results	8	0			24			0	32		\$ 5,648.00
Task 7: Produce and Validate EIA Results	4	0			32			0	36		\$ 5,833.20
Task 8: Develop Supplementary Documentation	16	0			40			0	56		\$ 10,092.32
Task 9: Prepare & Review Full TIGER IV Application	60	8			40			8	116		\$ 23,888.16
	148	24	0	0	218	0	0	16	406	0	\$ 77,798.76
HOURS TOTAL	148	24	0	0	218	0	0	16	406		
LABOR RATE PER HOUR	\$ 254.62	\$ 266.20	\$ 202.54	\$ 167.82	\$ 150.46	\$ 92.59	\$ 72.34	\$ 57.87			
TOTAL DIRECT LABOR COSTS	\$ 37,683.76	\$ 6,388.80	\$ -	\$ -	\$ 32,800.28	\$ -	\$ -	\$ 925.92	\$ 77,798.76		
PERCENT LABOR UTILIZATION FOR TOTAL PROJECT (BASED ON FEE)	48.44%	8.21%	0.00%	0.00%	42.16%	0.00%	0.00%	1.19%	100.00%	CHECK	
PERCENT LABOR UTILIZATION FOR TOTAL PROJECT (BASED ON MANHOURS)	36.45%	5.91%	0.00%	0.00%	53.69%	0.00%	0.00%	3.94%	100.00%	\$ 77,798.76	
TOTAL DIRECT LABOR COST											\$ 77,798.76
DIRECT EXPENSES	Rate	Unit	Amount	Total							
Lodging / Hotel (\$100.00 / DAY)	\$ 100.00	Each	4	\$ 400.00						\$ 400.00	
Meals (\$50.00 / DAY)	\$ 50.00	Each	8	\$ 400.00						\$ 400.00	
Rental Car & Fuel (per day)	\$ 60.00	Each	2	\$ 120.00						\$ 120.00	
Air Travel	\$ 800.00	Each	1	\$ 800.00						\$ 800.00	
Airport Parking (per day)	\$ 20.00	Each	2	\$ 40.00						\$ 40.00	
Mileage	\$ 0.565	per mile	750	\$ 423.75						\$ 423.75	
Overnight Mail - letter size	\$ 50.00	Each	2	\$ 100.00						\$ 100.00	
Courier Services	\$ 50.00	Each	0	\$ -						\$ -	
Photocopies B/W (8.5 X 11)	\$ 0.10	Each	500	\$ 50.00						\$ 50.00	
Photocopies B/W (11 X 17)	\$ 0.20	Each	100	\$ 20.00						\$ 20.00	
Photocopies Color (8.5 X 11)	\$ 0.70	Each	200	\$ 140.00						\$ 140.00	
Photocopies Color (11 X 17)	\$ 1.25	Each	40	\$ 50.00						\$ 50.00	
Plots (Color on Bond)	\$ 2.00	Linear Foot	0	\$ -						\$ -	
TOTAL DIRECT EXPENSES											\$ 2,543.75
GRAND TOTAL											\$ 80,342.51
ASSUMPTIONS											
NONE											