

**MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION**

**Official Minutes**

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**MINUTES OF REGULARLY SCHEDULED HIGHWAYS AND  
TRANSPORTATION COMMISSION MEETING HELD IN  
ST. LOUIS, MISSOURI, ON TUESDAY, JULY 11, 2006**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Tuesday, July 11, 2006, at the Hilton St. Louis Frontenac, 1335 South Lindbergh Boulevard, St. Louis, Missouri. The meeting was called to order at 9:30 a.m. by Bill McKenna, Chairman. The following Commissioners were present: James B. Anderson, Duane S. Michie, Mike Kehoe, and David A. Gach. Having provided the Commission with notice of a previous commitment, Vice-Chairman Marjorie B. Schramm was absent.

The meeting had been called pursuant to Section 226.120 of the 2000 Revised Statutes of Missouri, as amended. The Secretary verified that notice of the meeting was posted in keeping with Section 610.020 of the 2000 Revised Statutes of Missouri, as amended.

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Pete Rahn, Director of the Missouri Department of Transportation, Rich Tiemeyer, Chief Counsel for the Commission, and Mari Ann Winters, Secretary to the Commission, were present on Tuesday, July 11, 2006.

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*"Department" or "MoDOT" herein refers to Missouri Department of Transportation.  
"Commission" or "MHTC" herein refers to Missouri Highways and Transportation Commission.*

**CLOSED MEETING**

The agenda of the closed meeting was posted in keeping with Sections 610.020 and 610.022, RSMo., including the following statutory citations allowing the meeting to be closed:

1. Section 610.021(11), (12) – Specifications for competitive bidding, sealed bids, or negotiated contracts.
2. Section 610.021(1) – Legal actions and attorney-client privileged communications.
3. Section 610.021(3), (13) – Personnel administration regarding particular employees.

Immediately prior to going into its closed meeting at 8:00 a.m., and upon motion duly made and seconded to convene in closed session, the Chairman asked for a voice vote of the members. The vote was as follows:

Commissioner McKenna, Aye  
Commissioner Michie, Aye  
Commissioner Anderson, Aye  
Commissioner Kehoe, Aye  
Commissioner Gach, Aye

whereupon the Commission closed its meeting. The closed meeting adjourned at 9:30 a.m.

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**APPROVAL OF MINUTES**

Upon motion by Commissioner Michie, seconded by Commissioner Anderson, the Commission unanimously approved the minutes of the regularly scheduled meeting held on June 14, 2006. The Chairman and Secretary to the Commission were authorized and directed to sign and certify said minutes and to file same in the office of the Secretary.

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## **CONSENT AGENDA**

### **Consent Agenda Process**

In order to make the most efficient use of Commission meeting time and to ensure the Commission members are well informed on issues requiring their action, the staff prepares and submits to the Commission members, in advance of their meeting, internal memoranda consisting of advice, opinions, and recommendations related to the items on the Commission meeting agenda. Those items considered by the staff to be of a routine or noncontroversial nature are placed on a consent agenda. During the meeting, items can be removed from the consent agenda at the request of any one Commission member. The items that are not removed from the consent agenda are approved with a single motion and unanimous vote by a quorum of the members.

Minutes reflecting approval of items on the consent agenda are singly reported herein and intermingled with minutes reflecting action on related subjects that were openly discussed. Reference to "consent agenda" is made in each minute approved via the process described in the paragraph above. Minutes reflecting action on items removed from the consent agenda and openly discussed reflect the open discussion and vote thereon.

### **Consideration of July 11, 2006, Consent Agenda**

Upon motion by Commissioner Michie, seconded by Commissioner Anderson, all items on the July 11, 2006, consent agenda were unanimously approved.

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## **REPORTS OF COMMISSION COMMITTEES AND COMMISSION RELATED BOARDS**

The Commission has two committees: Audit and Legislative. In addition, it elects Commission representatives to two boards: Missouri Transportation Finance Corporation Board of Directors and MoDOT and Patrol Employees' Retirement System Board of Trustees. The following committee reports were made during the July 11, 2006, meeting.

**Audit Committee** – Commissioner Michie reported that the Audit Committee met on July 10, 2006, at which time the committee considered revisions to the Audit Charter and the Audit Committee Charter, reviewed an internal audit, and approved the Fiscal Year 2007 Audit Plan.

**MoDOT and Patrol Employees’ Retirement System Board of Trustees** – Commissioner Michie reported that the MoDOT and Patrol Employees’ Retirement System Board of Trustees met on June 22, 2006. At that meeting, the Executive Director reported that Sue Cox had been elected to the Board of Trustees representing the active MoDOT employees and Bob Sfreddo had been elected to the Board of Trustees representing the retirees. Commissioner Michie further reported that the investment return for fiscal year ending June 30, 2006, was 14.9 percent.

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## **DIRECTOR’S REPORT**

Director Pete Rahn, provided the following report:

**Public-Private Partnership Legislation** - Governor Matt Blunt signed the Public-Private Partnership bill authorizing the Commission to enter into a contractual agreement with private entities to finance, build, maintain, and operate a new Mississippi River Bridge within the boundaries of the City of St. Louis.

**Bond Sales** - The Fitch bond rating agency recently upgraded its bond rating for MoDOT to AA+, resulting in AA+ ratings from all three major bond rating companies. Missouri is the only Department of Transportation in the nation with such a high rating.

Commissioner Michie noted that in addition to having a dedicated source of funding for repayment of the bonds, the excellent ratings resulted from MoDOT’s internal and external audit processes and its cost controls. He commended the staff on this success.

**Performance Plus** - The initial quarter of the Performance Plus pilot program, designed to pay incentives to employees for controlling costs on construction projects, resulting in employees in 15 construction project offices and three districts qualifying for the incentive. The pilot program will continue for another quarter.

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## **PROPOSED NEW MISSISSIPPI RIVER BRIDGE UPDATE**

Pete Rahn, MoDOT Director, advised the Commission that in the 1960s, there were 22 lanes of bridge capacity crossing the Mississippi River between Illinois and Missouri compared to 16 lanes today. Most of the traffic uses the Poplar Street Bridge, which carries I-64, I-70, and

I-55. The 15-minute delays experienced by travelers crossing the Poplar Street Bridge today are projected to increase to 55 minutes by 2020.

Mr. Rahn stated that Missouri and Illinois have been analyzing the need for a new Mississippi River Bridge since 1992. During that time, Missouri has spent over \$20 million, and Illinois has spent a greater amount, in arriving at the new Mississippi River Bridge proposal referenced in the Director's presentation.

Mr. Rahn reported that MoDOT had worked with the IDOT staff in an effort to lower the \$1.6 billion estimated cost of the bridge. As a result of the cooperative efforts of the states, the estimated cost was lowered to \$910 million in September 2005; Missouri's share of that amount would be \$426 million.

Director Rahn referred to MoDOT's lack of financial ability to dedicate funds to this project, which is compounded by an 18.87 percent (\$39.5 million) decrease in revenue projections and a \$70 million increase in projected construction costs, resulting in lower than expected funding of \$100 million. He said these funding issues present a constant challenge to manage the Statewide Transportation Improvement Program in such a manner that all commitments are realized; therefore, constructing the new bridge within MoDOT's existing funds is not feasible.

Director Rahn recalled that approximately 18 months ago, the St. Louis region and the East-West Gateway Coordinating Council, advised MoDOT that the top project for the region was reconstruction of I-64. As a result, a team was formed and a plan developed to fund the project by leveraging future federal funds through issuing GARVEE bonds.

Director Rahn said that the St. Louis community had also cited a new Mississippi River Bridge as a critical need for the St. Louis region. He stated that the importance of the project was further reflected by the \$75 million federal funding earmark that U.S. Senator Bond had

secured for the project. He said the importance of the bridge to Illinois was also reflected by two federal funding earmarks for Illinois totaling \$164 million. He emphasized that the \$239 million federal funding earmarks represented a significant commitment to the project.

Director Rahn said it was his opinion that the new Mississippi River Bridge currently under consideration is the only bridge that would meet the regional needs of the St. Louis area. He further emphasized that this was the only bridge that could be completed and open to the public by 2012.

Director Rahn said that in an effort to find a means to pay for the bridge, MoDOT had been successful in receiving statutory authority for the Commission to enter into an agreement with a private entity to construct and maintain the bridge for a period of time with repayment to the investor being derived from tolls. The legislation limited the use of the public-private partnership, with resulting tolls, to the proposed new Mississippi River Bridge in St. Louis. Existing bridges will remain toll-free.

Director Rahn said while he was hopeful that the private sector would be interested in forming a public-private partnership to construct and maintain the bridge, the level of interest could not be determined until proposals are requested. He further stated his expectation that the private sector would propose varied innovative proposals. In absence of the details that may be included in those proposals and in an effort to explain the funding and tolling aspects of the public-private partnership, Director Rahn presented a possible tolling scenario for the new Mississippi River Bridge.

Director Rahn stated that the priority for funding would be as follows depending upon the amount of funds that would be forthcoming through the public-private partnership:

1. Public-private partnership funds only (assumes full cost of construction, currently estimated to be \$910 million).
2. Public-private partnership funds plus federally earmarked funds.

3. Public-private partnership funds plus federally earmarked funds, plus funding available to the St. Louis metropolitan area organization area for the project, as cooperatively determined with the East-West Gateway Coordinating Council.

Director Rahn emphasized that the public-private partnership legislation requires Missouri to reach agreement with Illinois on the use of and provisions associated with the use of a public-private partnership to fund construction and maintenance of the bridge. To date, such an agreement has not been reached.

Commissioner Anderson noted that a significant amount of recent media attention regarding the proposed new bridge has been focused on the objection of commuters to pay tolls. He recalled prior presentations to the Commission from the St. Louis community leaders that emphasized the importance of the new bridge to benefit not only the region, but also the economy of the state. He further pointed out that an early version of the Federal Highway Bill included this bridge as one of five national economic development defense priorities. Commissioner Anderson said his vision for the bridge had been in keeping with the community's identified need for a "Bridge for the 21<sup>st</sup> Century." He expressed concern that recent controversy appeared to be focused on use of the bridge as a "commuter bridge" rather than the benefits to be derived from a bridge of regional, statewide, and national significance.

Director Rahn noted that a bridge of national significance would be consistent with the Congressional priority placed on funding the bridge, as evidenced by the federally earmarked funds. Director Rahn said both he and the Secretary of Transportation in Illinois agree that the new Mississippi River Bridge is an important project for both states. He said the discussions with the Illinois DOT will continue.

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## **PUBLIC PRESENTATION – ST. LOUIS REGIONAL CHAMBER AND GROWTH ASSOCIATION**

Mr. Richard Fleming, President and CEO of the St. Louis Regional Chamber and Growth Association (RCGA) stated that a well-functioning transportation system is critical to the economic growth and vitality of the St. Louis region and the entire state. He expressed appreciation for MoDOT's cooperative efforts to deliver the infrastructure in a manner that will enhance the economy of the St. Louis region.

Mr. Fleming stated that both the I-64 design-build project and the proposed project to construct a new Mississippi River Bridge are of enormous importance to the area. He noted that the I-64 reconstruction project would replace aging bridge structures and improve access to the highway. He expressed support for the design-build process, which will be used to accomplish the reconstruction, and he commended MoDOT staff for including the business community, cities, counties, and the community in general as partners in the project development.

Mr. Fleming emphasized that a new Mississippi River Bridge is important to the St. Louis region. He commended MoDOT, IDOT, and the business community for advising their Congressional delegations of the urgent need for this project, and he expressed gratitude to the members of Congress for recognizing that need by earmarking \$239 million in federal funds for the new bridge. He recognized, however, the significant gap between the earmarked funds and the total dollars needed to construct the improvement.

Mr. Fleming reported that RCGA's chief economist, Bryan Bezold, recently completed an economic impact analysis of the new bridge. The analysis concluded that for every dollar invested in the new Mississippi River Bridge, \$27 in new economic activity will return to the bi-state region. This rate of return over the course of the bridge construction and post years' operation of the bridge (between 2006 and 2054) would equal \$25.1 billion. During the same

period, \$14.5 billion would result in new value added gross state product, and nearly \$9 billion would accrue to personal income.

Mr. Fleming said RCGA's commitment to the new Mississippi River Bridge project had been long-standing. During the past decade, it has actively lobbied in Washington and partnered with the City of St. Louis to conduct an independent assessment funding options. Mr. Fleming commended State Senator Bill Stouffer and State Representative Neil St. Onge for their leadership roles in enacting the public-private partnership legislation, which will allow access to an innovative funding mechanism that has been used in other states throughout the country to overcome shortfalls in funding for infrastructure.

Mr. Fleming said RCGA remains strongly committed to work with MoDOT and IDOT and the leaders of those states to arrive at a mutual agreement that will allow the new bridge project to move forward. He stated that a compelling need exists for the bridge and the opportunity is available for constructing a bridge to serve the region well into the next century.

Mr. Fleming recognized that funding for transportation will be a challenge for the future; however, he noted that Missourians are seeing today what an investment in the infrastructure can mean to the region and the state. He said he was looking forward to working with MoDOT and the Commission to ensure transportation resources are available to address future infrastructure needs.

Director Rahn thanked Mr. Fleming for the cooperation and partnership between MoDOT and the business community, led by RCGA, Civic Progress, and the Regional Business Council.

The Commission expressed appreciation for the reaffirmation of regional priorities and vision for the new Mississippi River Bridge.

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## **PUBLIC PRESENTATION – PRESENTATION PERTAINING TO BRIDGE OVER MISSISSIPPI RIVER AT ST. LOUIS**

Illinois State Senator Frank Watson noted the dissention that appeared to be taking place between Missouri and Illinois as it pertained to the new Mississippi River Bridge. He noted that the economic impact of the bridge was huge and noted that St. Louis has the potential to be the distribution center of the nation. He expressed his desire to be instrumental in identifying solutions that will allow the project to move forward.

In response to questions from Senator Watson, Director Rahn advised that Missouri had not committed any funds toward the new Mississippi River Bridge project due to its level of funding and many transportation needs both in the St. Louis region and throughout the state. He further advised that he had received a copy of a letter from the Federal Highway Administration stating that the earmarked funds for the bridge would remain available until expended.

Chairman McKenna noted that it would be beneficial for each of the states (Missouri and Illinois) to understand the funding mechanisms and limitations of the other as they attempt to move forward with this project. As an illustration of the funding differences, Director Rahn noted that Missouri has approximately \$49,000 available to maintain each mile of its highway system compared to approximately \$137,000 in Illinois.

Chairman McKenna clarified that the legislation authorizing the public-private partnership stipulated that only the new Mississippi River Bridge would be subject to tolls; all existing bridges would remain toll-free. He further noted that the legislation pertained to the new Mississippi River Bridge only and could not be used for any other project.

Senator Watson expressed concern that MoDOT had created a potentially embarrassing situation for its Congressional delegates who had worked diligently to earmark federal funds for a project when no funding commitment had been made on the state level that would allow the project to proceed.

Senator Watson concluded by restating his desire to proceed in a positive manner to find a solution leading to construction of a new Mississippi River Bridge in the St. Louis area.

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## **UNSCHEDULED PUBLIC COMMENTS**

### **I-64/Route 40 Reconstruction Traffic Management Plan**

Mr. Harry Belli, business owner in downtown St. Louis, provided comments related to the upcoming reconstruction of I-64/Route 40. He stressed the importance of a traffic management plan that will allow business customers to easily access the downtown area. He asked the Commission to seek input from the local business owners prior to making a final decision on the traffic management plan.

Mr. Harri Belli  
No. 8 Chesterton Lane  
St. Louis, MO  
636-230-0895

### **I-64/Route 40 Reconstruction Traffic Management Plan**

Mr. Joe Passanise said he had 30 years of experience with St. Louis County as a traffic engineer and planning engineer. With a view toward protecting the economy of St. Louis County during the reconstruction of I-64/Route 40, he asked the Commission to (1) publicly state that MoDOT's highest priority is to protect the St. Louis economy, and (2) require MoDOT to host public meetings and listen to public input before selecting a traffic management plan.

Joe Passanise  
526 Sarah Lane No. 37  
St. Louis, MO  
314-567-0648

### **New Mississippi River Bridge**

Dr. Ron Trimmer spoke in opposition to constructing a new Mississippi River Bridge with a funding option resulting in tolls. He stated that Illinois citizens contribute \$8 million a

year in motor fuel tax to Missouri. He suggested that a viable way of raising funds is through an increase in the motor fuel tax through the structure currently in place. He projected that the cost for the bridge would result in \$1 million per year overhead if tolls are used to finance its construction.

Mr. Ron Trimmer  
106 Lenox Avenue  
Mitchell, IL  
618-604-6216

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### **2007-2011 STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM**

On behalf of the Director, Kevin Keith, Chief Engineer, reminded the Commission that the 2006-2010 Statewide Transportation Improvement Program (STIP) represented the largest five-year highway and bridge program in MoDOT's history. He noted that the ability to increase the program had been due to the resources made available by voter approval of Amendment 3 in 2004, which established a dedicated funding source for bond repayment through a newly created State Road Bond Fund. He noted that the 2007-2011 STIP was based on bond sales through calendar year 2009, at which time all funds flowing into the new State Road Bond Fund will be needed to repay the outstanding bonds. No new major projects were added to the 2007-2011 STIP in anticipation of the funding decline.

Mr. Keith reported that the focus of the 2007-2011 STIP is twofold: (1) honor the commitments in the STIP for highway and bridge construction, and (2) improve the major routes to a *good* condition rating by 2011.

Machelle Watkins, Transportation Planning Director, reported that 2007-2011 STIP totaled \$7.1 billion, of which \$5.7 billion pertained to highways and bridges; \$0.7 billion pertained to modes of transportation other than highways; and \$0.7 billion pertained to sub-allocated programs.

Ms. Watkins reported that delivering the commitments of the STIP has become a challenge due to increased costs for fuel and other items necessary for highway construction. As a result, MoDOT has experienced a \$70 million increase in project awards over projected costs. In addition, she noted that state revenues are approximately \$30 million less than projected, which was due mainly to fewer than anticipated vehicle sales. Realizing the revenue challenges and the Commission's staunch commitment to projects once they are included in the STIP, Ms. Watkins stated that the 2007-2011 STIP being considered by the Commission is fully programmed for the first three years, but contains some uncommitted funds in the last two years.

Ms. Watkins reported that, through the planning framework process, 11 new scoping projects had been identified and included in the STIP in order to be prepared to proceed with highway improvements in the event funds not anticipated at this time would become available.

Ms. Watkins reported that 17 public comments had been received during the federally mandated 45-day public comment period: three pertained to upgrading Route 63 in the Rolla area, two pertained to upgrading Route 5 from Gravois Mills to Sunrise Beach, eight pertained to various locations, and four were general comments.

Ms. Watkins reported that the 2007-2011 STIP contains 431 new projects; 15 projects were removed from the STIP because they were accomplished through other means, such as with MoDOT maintenance forces or project combinations.

Commissioner Anderson observed that the number of public comments was markedly reduced from prior years, which, he said, reflected that the planning framework process was working extremely well.

Referring to a graph of available funds for the highway and bridge program in each year of the STIP, Chairman McKenna recalled that the staff had acted immediately upon voter approval of Amendment 3 to increase the construction program in anticipation of the increased funding

made available through the State Road Bond Fund. He noted that in 2009, the program would decline from \$1.6 billion to \$1 billion and further decline to \$0.8 billion in 2010, and \$0.7 billion in 2011. He explained that all Amendment 3 dollars flowing into the State Road Bond Fund after 2009 will be needed to repay bonds issued from 2005 through 2009.

Chairman McKenna said it was important for Missourians to be aware that although good progress is being made on highway improvements at this time, if transportation improvements are to keep moving in a positive direction, Missourians must be forward thinking and not wait to address funding issues until lack of adequate funding critically curtails both highway construction and maintenance.

Upon motion by Commissioner Michie, seconded by Commissioner Gach, the Commission approved the 2007-2011 Statewide Transportation Improvement Program, as submitted at this meeting, and authorized the Chief Engineer to (1) add preliminary engineering projects as necessary throughout the year, (2) approve the purchase of right of way for situations involving physical or economic hardships to property owners, and (3) approve protective right of way acquisition for future projects where he deems it beneficial to MoDOT.

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## **CONSIDERATION OF BIDS ON FEDERAL-AID AND STATE PROJECTS**

On behalf of the Director, Dave Nichols, Director of Program Delivery, presented the following recommendations pertaining to bids received by MoDOT on June 30, 2006.

### **Award of Contracts June 30, 2006, Bid Opening**

Mr. Nichols stated that bids for road and bridge improvement projects had been received on June 30, 2006, and he recommended awards be made to the lowest responsive and responsible bidders noted in Table I below.

**Table I  
Award of Contracts  
June 30, 2006, Bid Opening**

<b>Call No.</b>	<b>Route</b>	<b>County</b>	<b>Job No.</b>	<b>Bid Amount</b>	<b>Non-Contractual Costs</b>	<b>Contractor</b>	<b>Description</b>
201	36/63	Linn/ Randolph	J2P0763B	\$ 228,953.95	\$ 0	United Rentals Highway Technologies, Inc.	Epoxy Pavement Marking Test Project
301	70	Montgomery/ Warren	J3I0754	43,882.50	0	Columbia Curb & Gutter Co	Install Rumble Strips on the Right Shoulder
601	30	St. Louis City	J6O0005	353,159.00	0	Gerstner Electric, Inc.	Signal Replacement
602	47	Franklin	J6P1802	736,407.73	1144.00	L. Krupp Construction, Inc.	Grading, Drainage, Optional Pavement Widening for a Left Turn Lane and Traffic Signals
603	T	St. Charles	J6S1470	636,735.55	656.00	St. Louis Bridge Construction Company	Bridge Rehabilitation and Roadway Widening with Optional Shoulder Pavement
604	44	St. Louis/ St. Louis City	J6I1796	1,839,611.00	36,644	Gerstner Electric Inc.	Replace Existing Highway Lighting and Install High Mast Lighting
605	T	Franklin	J6S1675	1,058,953.90	872.60	Don Schnieders Excavating Company, Inc.	Grading, Optional Pavement and Bridge-Steel Girder
608	100/AB	St. Louis	J6M0111	735,221.11	144.00	Missouri Petroleum Products Company, LLC	Microsurfacing
609	364	St. Charles	J6U1028M	1,475,054.95	285.00	Fred Weber, Inc.	Grading and Drainage
701	Various	Barry/ Barton/ Bates/ Cedar/ Dade/ Jasper	J7P0822	524,599.15	0	Collins & Hermann, Inc.	On-Call Guardrail and Guard Cable Repair
702	249	Jasper	J7U0436J	9,658,915.82	656.00	McAninch Corporation	Grading, Drainage, Alternate Bid P.C.C. or Superpave Pavement, and Alternate Bridge – Concrete GDR. Or Steel GDR.
801	14	Christian	J8P0588E	542,144.92	0	APAC-Missouri, Inc.	Pavement Widening (Optional P.C.C. or Superpave) and Resurfacing of Mainline with Superpave
802	38	Wright	J8S0731	323,905.30	0	Boone Construction Co.	Bridge – Rehabilitation
804	76	Douglas	J8P0723	498,896.61	144.00	L. Krupp Construction, Inc.	Bridge Rehabilitation with Alternate Deck (CIP or PC Panel)
X01	VV	New Madrid	J0S0831/ J0S0940	371,836.00	0	Robertson Contractors, Inc.	Optional Pavement and Bridge-Rehabilitation
<b>TOTAL</b>				<b>\$19,028,277.49</b>	<b>\$40,545.60</b>		

**Rejection of Bids, June 30, 2006, Bid Opening**

Mr. Nichols recommended that the single bid received on Call No. 803 be rejected

because it was considered excessive, as noted in Table II below.

**Table II  
Rejection of Bids  
June 30, 2006**

<b>Call No.</b>	<b>Route</b>	<b>County</b>	<b>Project No.</b>
803	13	Polk	J8P0592C

**Commission Action**

After consideration and upon motion by Commissioner Anderson, seconded by Commissioner Gach, the Commission took the following actions:

1. Awarded contracts to the lowest responsive and responsible bidders for bids received on June 30, 2006, as recommended and noted in Table I above. Non-contractual costs for these projects are shown on the above tabulation. Chairman McKenna abstained from voting on Call Nos. 604 and 607.
2. Rejected the single bid on June 30, 2006, on Call 803, as noted in Table II above, because it was considered excessive.

In keeping with the Commission’s Delegation of Authority to Execute Documents, the Director, Chief Engineer, Chief Financial Officer, or the Director of Program Delivery may execute the contracts awarded above.

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**I-64 DESIGN-BUILD PROJECT UPDATE**

On behalf of the Director, Lesley Hoffarth, Project Director, presented an update on the I-64 design-build project. Ms. Hoffarth recalled that on October 14, 2005, the Commission authorized the staff to move forward on the I-64 design-build project in St. Louis City and County. Following that action, an I-64 MoDOT team was assembled and began working through the procurement process.

MoDOT is currently buying the property that will be needed for the corridor improvement, working with partners in the community on the disadvantaged business enterprise

goals and the workforce utilization agreement, and preparing the public for the construction project.

The two pre-approved teams are currently preparing proposals for traffic management and attaining workforce goals, in addition to preparing plans for design and construction.

MoDOT is continuing its work on Interstate routes in the St. Louis area to ensure that traffic has alternative routes on which to travel during construction of the improvement. In addition, the I-64 team has been encouraging major employers to vary their work hours in order to minimize congestion. Hospitals and emergency services have also been contacted to ensure continuation of expeditious service.

MoDOT sub-corridor committees comprised of local residents, elected officials, businesses, and transportation providers have proven to be valuable partners in the process.

Ms. Hoffarth reported that the I-64 team had worked very successfully with the community, the contractor teams, labor unions, and the Associated General Contractors on jointly participating in efforts to increase the number of minorities, women, and economically disadvantaged individuals on this project. In addition, a workforce utilization committee, chaired by Rev. Tommie Pearson, was formed to evaluate and recommend funding for training programs.

Rev. Pearson thanked the Commission and Director Rahn for their interest in, and support of, a workforce development plan to increase employment opportunities for the economically disadvantaged. He advised the Commission that the work force development agreement is being viewed as a model throughout the United States. He commended Julie Cunningham, Executive Director of the National Conference on Minority Transportation Officials, who facilitated the various interests. Rev. Pearson concluded by stating that the work

force efforts reflected that MoDOT is not only concerned about building roads, but also about building lives and communities.

Ms. Hoffarth anticipated that the I-64 reconstruction project would begin in the spring of 2007 and be completed no later than October 1, 2010.

Director Rahn recognized all members of the I-64 team, and emphasized that they had been assigned to the very complex I-64 project due to their outstanding abilities.

Chairman McKenna thanked Ms. Hoffarth for her presentation and her work to date on this project, and he expressed appreciation for the cooperative efforts of the I-64 team, community leaders, and MoDOT partners in this project.

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## **ROADWAY LOCATION AND DESIGN APPROVAL**

On behalf of the Director, District Engineers informed the Commission that preliminary plans and exhibits for the following projects were advertised for and/or presented at a public hearing.

**Route 100, Franklin County  
From Route 47 to Route I-44  
Job No. J6P1004**

**Public Hearing Held May 9, 2006**

This proposed improvement will widen the roadway from two lanes to four lanes from Route 47 to I-44. This project will have 12-foot lanes with 10-foot shoulders and controlled access right of way. Route 100 will remain open at all times. The Missouri Highways and Transportation Commission approved the location in August 2004. The project is 9.6 miles in length.

Mr. Ed Hassinger, District 6 Engineer, recommended approval of the design of the proposed project as presented at the public hearing.

**Route N, St. Charles County**  
**From Spring Orchard Drive to Meadowlake Drive**  
**Job No. J6S1826**  
**Public Hearing Held May 15, 2006**

This project consists of adding a 12-foot two-way, left-turn lane, 8-foot shoulders, curb and resurfacing on Route N, St. Charles County. The width of the roadway will be expanded from 22-feet to 52-feet. This project will have normal access right of way. Traffic will be maintained over the existing roadway during construction. This project is 0.7 mile in length.

Mr. Ed Hassinger, District 6 Engineer, recommended approval of the location and design of the proposed project as presented at the public hearing.

**Route FF, Jasper/Newton County**  
**From the Intersection of Route FF and Route 43**  
**Job No. J7S0770**  
**Public Hearing Held May 22, 2006**

This proposed improvement includes widening the intersection of Route 43 and Route FF to include dual left-turn lanes at the north and south approaches, right-turn lanes in all but the southeast quadrant, and extended turning lanes on all four approaches. This project will have 11-foot lanes and no shoulders. New traffic and pedestrians signals will be installed. Sidewalks will be built throughout the limits of the improvement. This project will have partial controlled access right of way. This project is 0.1 mile in length.

Ms. Becky Baltz, District 7 Engineer, recommended approval of the design of the proposed project as presented at the public hearing.

After full consideration of the favorable and adverse economic, social, and environmental effects of the recommended location and design, the Commission, via approval of the Consent Agenda, unanimously found and determined the recommended locations and designs would best serve the interest of the public and approved the recommendations.

\* \* \* \* \*

**RATIFICATION AND APPROVAL OF RIGHT OF WAY PLANS FOR CONDEMNATION**

On behalf of the Director, Dave Nichols, Director of Program Delivery, recommended the Commission ratify the Chief Engineer’s approval of the following right of way plans, which have been filed for condemnation.

<u>County</u>	<u>Route</u>	<u>Job Number</u>	<u>Date Commission Approved Design</u>
Macon	36	J2P0482	January 11, 2006
St. Charles	40/61	J6P0672C	April 12, 2006
St. Louis	67	J6P1828	April 12, 2006
Jasper	71	J7P0699	September 9, 2005
St. Francois	67	J0U0591I	January 17, 1997

In accordance with Section 227.050 RSMo 2000, as amended, the Commission, via approval of the Consent Agenda, approved the right of way plans for the above noted projects and directed they be filed as necessary for the condemnation of right of way.

\* \* \* \* \*

**AMENDMENT 3 BONDS, RESOLUTION AUTHORIZING SERIES 2006 STATE ROAD BONDS**

On behalf of the Director, Roberta Broeker, Chief Financial Officer recommended adoption of the following resolution authorizing the issuance of First Lien State Road Bonds, Series 2006, in an aggregate principal amount not to exceed \$800,000,000, to fund improvement projects on the state highway system. The Resolution further delegates authority for approving certain documents and actions in connection with the issuance of said Series 2006 Bonds.

## RESOLUTION

### **RESOLUTION AUTHORIZING THE ISSUANCE OF FIRST LIEN STATE ROAD BONDS, SERIES 2006, IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$800,000,000, TO FUND PROJECTS FOR THE STATE HIGHWAY SYSTEM; AND AUTHORIZING AND APPROVING CERTAIN DOCUMENTS AND ACTIONS IN CONNECTION WITH THE ISSUANCE OF SAID SERIES 2006 BONDS.**

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1. The Commission is duly organized and existing under Article IV, Section 29 of the Missouri Constitution and Sections 226.005 to 226.191 of the Revised Statutes of Missouri, as amended, and is vested with the powers and duties specified in Chapters 226 and 227 of the Revised Statutes of Missouri, as amended, including authority and supervision over the construction, reconstruction and repairs of state roads, highways and bridges which are constructed, improved and maintained in whole or in part by the aid of state moneys, and of highways constructed in whole or in part by the aid of moneys appropriated by the United States government, so far as such supervision is consistent with the acts of Congress relating thereto (the **“State Highway System”**).

2. The Commission is authorized to issue state road bonds to fund construction and reconstruction projects of the state highway system, which bonds are to be issued and be payable as provided in Article IV, Section 30(b) of the Missouri Constitution, as amended.

3. The Commission proposes to issue state road bonds (the **“Series 2006 Bonds”**), in the principal amount not to exceed \$800,000,000, and to pay certain costs related to the issuance of the Series 2006 Bonds, on the terms and conditions provided for herein and in the Indenture described herein.

4. The payment of the principal of and interest on the Series 2006 Bonds may be guaranteed or secured in whole or in part by a municipal bond insurance policy or other form of credit enhancement (**“Credit Facility”**) to be issued or provided by a bond insurance company, bank or other financial institution selected by the Commission.

5. The Commission finds and determines that it is necessary and desirable in connection with the issuance of the Series 2006 Bonds that the Commission execute and deliver certain documents and that the Commission take certain other actions as herein provided.

### **NOW THEREFORE, BE IT RESOLVED BY THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, AS FOLLOWS:**

**Section 1. Authorization of the Series 2006 Bonds.** The Commission is authorized to issue and sell the Series 2006 Bonds in an aggregate principal amount not to exceed \$800,000,000, for purposes aforesaid which shall be issued under and secured by and shall have the terms and provisions set forth in the Master Bond Indenture dated as of July 1, 2005, as supplemented and amended including the amendment by the Supplemental Bond Trust Indenture No. 3 referred to herein (collectively, the **“Indenture”**). The Series 2006 Bonds shall be issued in two series designated First Lien State Road Bonds Series A 2006 (the **“Series A 2006 Bonds”**), and First Lien State Road Bonds Series B 2006 (the **“Series B 2006 Bonds,”** with the Series A 2006 Bonds and the Series B 2006 Bonds being collectively the **“Series 2006 Bonds”**). The Series 2006 Bonds shall bear interest at various interest rates not to exceed a true interest cost of 6.5% per annum, and shall mature in principal installments with a final maturity not later

than 2026, and shall have such redemption provisions, including premiums, and other terms to be determined by the authorized officers of the Commission and the Missouri Department of Transportation ("MoDOT") in the manner described herein. The Series A 2006 Bonds shall be sold by the Commission to RBC Capital Markets, as representative of the underwriters of the Series A 2006 Bonds, and the Series B 2006 Bonds shall be sold by the Commission to Banc of America Securities LLC, as representative of the underwriters of the Series B 2006 Bonds, under the hereinafter-described Bond Purchase Agreements with an underwriter's discount of not more than 1.75% of the aggregate principal amount thereof, plus accrued interest, if any. The final terms of the Series 2006 Bonds shall be specified in the Indenture and Bond Purchase Agreements upon the execution thereof, and the signatures of the officers of the Commission or MoDOT executing such Indenture and Bond Purchase Agreements shall, subject to approval as to form by the Chief Counsel, constitute conclusive evidence of their approval and the Commission's approval thereof.

**Section 2. Limited Obligations.** The Series 2006 Bonds shall be limited obligations of the Commission payable solely from the sources and in the manner as provided in the Indenture, and shall be secured by a pledge and assignment of and a grant of a security interest in the Trust Estate (as defined in the Indenture) to the Bond Trustee (herein defined) and in favor of the holders of the Series 2006 Bonds, as provided in the Indenture. The Series 2006 Bonds shall not be deemed to constitute a debt or liability of the State of Missouri or a pledge of the full faith and credit of the State of Missouri, and the payments on such Series 2006 Bonds shall be payable solely from the Trust Estate, and are secured by a transfer, pledge and assignment of and a grant of a security interest in the Trust Estate to the Bond Trustee and in favor of the owners of the Bonds, as provided in the Indenture. Nothing in the Series 2006 Bonds shall be construed as obligating the State of Missouri to pay or redeem any of the Bonds from, and the owners thereof may not look to, any general or other fund of the State of Missouri or of MoDOT, except as specifically provided in the Indenture.

**Section 3. Authorization and Approval of Documents.** The following documents (the "Financing Documents") are hereby approved in substantially the forms filed in the records of the Secretary to the Commission, and the Commission is hereby authorized to execute and deliver each of such documents with such changes therein as shall be approved by the officers of the Commission or MoDOT executing such documents, such officers' signatures thereon being conclusive evidence of their approval and the Commission's approval thereof, subject to approval as to form by the Chief Counsel:

- (a) Supplemental Bond Trust Indenture No. 3 between the Commission and The Bank of New York Trust Company, N.A. (the "Bond Trustee"), providing for the issuance of the Series 2006 Bonds pursuant to the Indenture, and setting forth additional terms and provisions applicable to the Series 2006 Bonds.
- (b) Tax Compliance Agreement between the Commission and the Bond Trustee, which sets forth certain representations, facts, expectations, terms and conditions relating to the use and investment of the proceeds of the Series 2006 Bonds, to establish and maintain the exclusion of interest on the Series 2006 Bonds from gross income for federal income tax purposes, and to provide guidance for complying with the arbitrage rebate provisions of § 148(f) of the Internal Revenue Code.
- (c) Continuing Disclosure Agreement between the Commission and The Bank of New York Trust Company, N.A., as Dissemination Agent, under which the Commission agrees to provide continuing disclosure of certain financial information, operating data and material events, for the benefit of the owners of the Series 2006 Bonds and to assist the underwriters of the Series 2006 Bonds in complying with Rule 15c2-12 of the Securities and Exchange Commission.

- (d) Bond Purchase Agreement (the “Series A Purchase Agreement”) between the Commission and RBC Capital Markets (“RBC”), the representative of the underwriters of the Series A 2006 Bonds, under which the Commission agrees to sell and RBC agrees to purchase the Series A 2006 Bonds with an underwriter's discount of not more than 1.75% of the principal amount thereof, plus accrued interest, if any, upon such terms and conditions thereof as set in the Series A Purchase Agreement.
- (e) Bond Purchase Agreement (the “Series B Purchase Agreement”) between the Commission and Banc of America Securities LLC (“BOA”), as representative of the underwriters of the Series B 2006 Bonds, under which the Commission agrees to sell and BOA agrees to purchase the Series B 2006 Bonds with an underwriter's discount of not more than 1.75% of the principal amount thereof, plus accrued interest, if any, upon such terms and conditions thereof as set in the Series B Purchase Agreement.

**Section 4. Approval of Preliminary and Final Official Statement.** The form and substance of the Preliminary Official Statement relating to the Series 2006 Bonds submitted to the Commission is hereby in all respects ratified, confirmed and approved, and the officers of the Commission and MoDOT are hereby authorized, empowered and directed to execute the Preliminary Official Statement and the final Official Statement in the name and on behalf of the Commission. The Commission approves the use and distribution of the Preliminary Official Statement and final Official Statement by the Underwriters in connection with the offering and sale of the Series 2006 Bonds. The Preliminary Official Statement and the final Official Statement shall be in substantially the same form as the draft Preliminary Official Statement now on file in the records of the Secretary to the Commission and hereby approved, with such changes therein as shall be approved by the officer of the Commission or MoDOT executing the same, and such execution shall constitute conclusive evidence of such officer’s approval and the Commission’s approval of any departures therein from the form of the Preliminary Official Statement now on file in the records of the Secretary to the Commission. For the purpose of enabling the underwriters to comply with the requirements of Rule 15c2-12(b)(1) of the Securities and Exchange Commission, the Commission hereby deems the information contained in the Preliminary Official Statement to be “final” as of its date, except for the omission of such information as is permitted by Rule 15c2-12(b)(1), and the appropriate officers of the Commission and MoDOT are hereby authorized, if requested, to provide the underwriters a letter or certification to such effect and to take such other actions or execute such other documents as such officers in their reasonable judgment deem necessary to enable the underwriters to comply with the requirements of such Rule.

**Section 5. Execution of Series 2006 Bonds and Financing Documents.** The Chairman or the Vice Chairman of the Commission, or the Director, the Chief Engineer or the Chief Financial Officer of MoDOT, are hereby authorized and directed to execute the Series 2006 Bonds by manual or facsimile signature and to deliver the Series 2006 Bonds to the Bond Trustee for authentication for and on behalf of and as the act and deed of the Commission in the manner provided in the Indenture. The Chairman or Vice Chairman of the Commission, or the Director, the Chief Engineer or the Chief Financial Officer of MoDOT, are hereby authorized and directed to execute and deliver the Financing Documents for and on behalf of and as the act and deed of the Commission. The Secretary to the Commission is hereby authorized and directed to attest to the Series 2006 Bonds by manual or facsimile signature, to the Financing Documents and to such other documents, certificates and instruments as may be necessary or desirable to carry out and comply with the intent of this Resolution.

**Section 6. Credit Enhancement.** The Commission may elect to enhance the security for the Series 2006 Bonds through the use of a Credit Facility. The Commission hereby approves of any Credit Facility and any agreements related to the delivery of such Credit Facility upon such terms to be

determined by the authorized officers of the Commission and MoDOT in the manner described herein. The final terms of the Credit Facility shall be specified in the agreements upon the execution thereof, and the signatures of the officers of the Commission or MoDOT executing such agreements shall, subject to approval as to form by the Chief Counsel, constitute conclusive evidence of their approval and the Commission's approval thereof. The officers of the Commission are hereby authorized to take such customary actions necessary or desirable for the use of the Credit Facility.

**Section 7. Further Authority.** The Commission shall, and the officers, agents and employees of the Commission and MoDOT are hereby authorized and directed to, take such further action, and execute such other documents, certificates and instruments, including, without limitation, any credit enhancement, liquidity or security documents, arbitrage certificate, closing certificates, redemption notices, and tax forms, as may be necessary or desirable to carry out and comply with the intent of this Resolution, and to carry out, comply with and perform the duties of the Commission with respect to the Series 2006 Bonds and the Financing Documents.

**Section 8. Effective Date.** This Resolution shall take effect and be in full force immediately after its adoption by the Commission.

Upon motion by Commissioner Michie, seconded by Commissioner Anderson, the Commission unanimously:

1. Adopted the above resolution authorizing the issuance of First Lien State Road Bonds, Series 2006, in an aggregate principal amount not to exceed \$800,000,000, to fund projects on the state highway system and delegating authority for approving certain documents and actions in connection with the issuance of said Series 2006 Bonds.
2. Authorized the Secretary to the Commission to execute the Resolution confirming its adoption by the Commission, subject to approval as to form by the Chief Counsel's Office.
3. Authorized the Director, Chief Financial Officer, or Chief Engineer to execute the following documents for the Series 2006 State Road Bonds: (1) Supplemental Bond Trust Indenture No. 3, (2) Tax Compliance Agreement, (3) Continuing Disclosure Agreement, (4) Bond Purchase Agreements, (5) the Official Statements, and (6) any other ancillary documents, certificates, or instruments necessary to complete the bond issuance, subject to approval as to form by the Chief Counsel's Office.

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**AUTHORITY TO EXTEND BOND COUNSEL SERVICES AGREEMENT**

On behalf of the Director, Rich Tiemeyer, Chief Counsel, recommended the Commission exercise a one-year extension option of the Bond Counsel Services Agreement approved by the Commission on September 1, 2000. The proposed First Supplemental Agreement would extend the bond counsel services of Gilmore and Bell, P.C., and The Martinez Law Firm LLC, until September 4, 2007. The Commission’s existing September 5, 2000, Bond Counsel Services Agreement was procured by a competitive request for proposals for a duration of six-years; it expires on September 4, 2006. This agreement includes an option for up to two, one-year extensions.

Via approval of the consent agenda, the Commission, by unanimous vote of all members present, approved the existing Bond Counsel Services Agreement one-year extension, as recommended.

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**SCENIC BYWAY DESIGNATION, ROUTE 265, STONE COUNTY**

On behalf of the Director and the Scenic Byway Advisory Committee, Mabelle Watkins, Transportation Planning Director, recommended that the Commission approve the designation of the approximately 28.8 miles of Route 265 in Stone County as a State Scenic Byway. This corridor extends from the North Lawrence County Line southward to the Route 13 junction near the Branson West city limit.

Via approval of the consent agenda, the Commission unanimously approved the recommendation.

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**BREAK IN ACCESS,  
ROUTE 21, IRON COUNTY**

On behalf of the Director, Tom Stehn, District 9 Engineer, recommended approval of a request from the Iron County Commission, to break limited access for the purpose of constructing two 40-foot wide city streets located at the easterly right of way line opposite Stations 576+29.83 and 582+87.18 on Route 21, Iron County. The proposed entrances are non-arterial streets constructed to accommodate a county-owned hospital and will not provide traffic relief to the state highway system; therefore, specific Commission action is needed to proceed. (See February 13, 1997, Commission Meeting Minutes, “Policy – Changes in Access on Limited Access Roadways.”)

Because the entrances will provide access to a not-for-profit county-owned hospital, Mr. Stehn recommended approval of the Iron County Commission’s request for a waiver of compensation for the break in access.

Via approval of the consent agenda, the Commission unanimously approved the request of the Iron County Commission for the break in access and waiver of compensation.

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**BREAK IN ACCESS,  
ROUTE 7, JACKSON COUNTY**

On behalf of the Director, Beth Wright, District 4 Engineer, recommended approval of a request from Jason Mahurin for a break in access on Route 7, Jackson County, to construct a 20-foot wide driveway located at the easterly right of way line opposite Station 35+50. The proposed entrance is a non-arterial driveway constructed to accommodate a single-family residence and will not provide traffic relief to the state highway system; therefore, Commission approval of the proposal is needed to proceed. (See February 13, 1997, Commission Meeting Minutes, “Policy – Changes in Access on Limited Access Roadways.”)

Ms. Wright clarified that the staff was recommending the request for the break in access due to misinformation provided to Mr. Mahurin by MoDOT employees during the driveway permit process. She noted that Mr. Mahurin had acted in good faith and in compliance with MoDOT's instructions for receiving a permit. She further noted that an on-site investigation determined that the break in access would not detrimentally impact traffic or drainage on Route 7.

Via approval of the consent agenda, the Commission unanimously approved the break in access, as requested by Mr. Mahurin, with \$5,160 due to the Commission for the change.

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**--- REPORTS ---**

**FINANCIAL REPORT – FISCAL YEAR 2006**

Roberta Broeker, Chief Financial Officer, presented the Financial Report for the eleven months ended May 31, 2006, with budget and prior year comparisons.

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**DESIGN/BRIDGE ENGINEERING CONSULTANTS**

Dave Nichols, Director of Program Delivery, presented the Design/Bridge Engineering Consultants Report as of May 31, 2006. The report reflects current active consultant work on projects contained in the State Transportation Improvement Program.

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By unanimous consensus of all members present, the meeting of the Commission adjourned.

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