



**MISSOURI HIGHWAYS AND TRANSPORTATION
COMMISSION**

Official Minutes

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February 1, 2012

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**MINUTES OF THE REGULARLY SCHEDULED HIGHWAYS AND
TRANSPORTATION COMMISSION MEETING HELD IN JEFFERSON CITY,
MISSOURI, WEDNESDAY, FEBRUARY 1, 2012**

A regularly scheduled meeting of the Missouri Highways and Transportation Commission was held on Wednesday, February 1, 2012, at the Missouri Department of Transportation Building, 105 West Capitol Avenue, Jefferson City, Missouri. Rudolph E. Farber, Vice-Chair, called the meeting to order at 11:15 a.m. The following Commissioners were present: Lloyd J. Carmichael, Stephen R. Miller, Kenneth H. Suelthaus, and Joseph J. Hunt. Grace M. Nichols, Chair, attended by video conference.

The meeting was 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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Kevin Keith, Director of the Missouri Department of Transportation; Rich Tiemeyer, Chief Counsel for the Commission; and Pamela J. Harlan, Secretary to the Commission, were present on Wednesday, February 1, 2012.

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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 --

VOTE TO CLOSE 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(1) – Legal actions and attorney-client privileged communications.
2. Section 610.021(3), (13) – Personnel administration regarding particular employees.
3. Section 610.021(11), (12) – Competitive bidding specs, sealed bids, or negotiated contracts.
4. Section 610.021(2) – Lease, purchase, or sale of real estate.

Upon motion duly made and seconded to convene in closed session, the Vice-Chair called for a voice vote of the members. The vote was as follows:

Commissioner Nichols, Aye
Commissioner Farber, Aye
Commissioner Carmichael, Aye
Commissioner Miller, Aye
Commissioner Suelthaus, Aye
Commissioner Hunt, Aye

The Commission met in closed session from 9:00 a.m. until 11:00 a.m.

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-- OPEN MEETING --

APPROVAL OF MINUTES

Upon motion by Commissioner Miller, seconded by Commissioner Hunt, the Commission unanimously approved minutes of the regular meeting held January 4, 2012. The Chair 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 Commission members are well informed on issues requiring their action, 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 of the Commission meeting agenda. Those items considered by staff to be of a routine or non-controversial 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 February 1, 2012, Consent Agenda

No items were removed from the consent agenda. Upon motion by Commissioner Suelthaus, seconded by Commissioner Carmichael, the consent agenda items were unanimously approved by a quorum of Commission members present.

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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 February 1, 2012, meeting.

Audit Committee – Commissioner Suelthaus stated there was no report.

Legislative Committee – Commissioner Carmichael noted two priority pieces of legislation, which are federal mandates, are moving in the legislature. If the bills are not passed, MoDOT stands to lose a portion of federal funding. In addition, a bill adding MoDOT emergency vehicles to the provisions of the state's Move Over Law has been heard by both the House and Senate Transportation Committees.

Missouri Transportation Finance Corporation – Commissioner Miller stated the Board of Directors recently met and approved five loans totaling \$18.7 million. These loans help local communities move forward with projects they could not do by themselves or in the time frame they would prefer. The Executive Director reported as of December 31, 2011 the Board has \$68 million in loans receivable, with another \$24.7 million pending disbursement. The Board was provided with cash projections and the next meeting will be May 1, 2012.

MoDOT and Patrol Employees' Retirement System – Commissioner Farber stated there was no report.

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DIRECTOR'S REPORT

During the February 1, 2012, Commission meeting, Director Kevin Keith provided the following report:

Joint Committee on Transportation Oversight – Director Keith appeared before the Joint Committee on Transportation Oversight on January 17, 2012 to share information about public private partnerships and the potential for entering into such a partnership to improve I-70. The concept has generated a great deal of public and media interest and dialogue about transportation funding.

Federal Update – This week, Congressman John Mica will present to the House Transportation and Infrastructure Committee a proposed transportation reauthorization bill. This bill is expected to go to the House floor for debate soon. The Senate Environment and Public Works Committee is expected to begin work next week on its version of the reauthorization act known as Moving Ahead for Progress in the 21st Century. Both bills maintain funding for transportation at existing levels.

Bolder Five-Year Direction – Director Keith reported more than 950 positions had been filled for the non-supervisory professional and technical jobs at salary grade levels 11-16. The Department is more than halfway through the process of putting the right people in the right place. Director Keith noted that this process has been hard for employees and he is extremely proud of the employees who have gone through the process.

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PUBLIC COMMENT EXPRESSING APPRECIATION FOR ASSISTANCE DURING FLOOD AND RECOVERY WORK

On behalf of the Missouri State Highway Patrol (patrol), Colonel Ron Replogle, expressed appreciation to the Commission and the department for their efforts in searching for the body of missing Trooper Fred Guthrie, Jr. Colonel Replogle stated the department's assistance was essential in recovering the officer after he went missing on August 1, 2011 while working flood duty near the intersection of Routes 118 and 111 in Holt County near Big Lake State Park. In mid-January, Hill Brothers Construction was awarded a contract to fill a four-acre gap in Route 111 with silt from the

nearby flooded farmland. Trooper Guthrie's body was located under several feet of sand during the contracted excavation work. Colonel Replogle thanked the Northwest District for building the dikes to divert flood water to assist with early search efforts, and for providing continued assistance with equipment and employees from August 2011 through January 2012. Colonel Replogle stated the joint effort with the patrol and MoDOT brought the needed closure for the Guthrie family and the Missouri State Highway Patrol.

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CONSULTANT SELECTION PROCESS AND QUARTERLY REPORT

On behalf of the Director, Kathy Harvey, State Design Engineer, presented a review of the department's consultant selection process. MoDOT hires engineering and professional services through a consultant selection process that complements the department's existing resources and expertise. Consultants are hired for a variety of work including roadway and bridge design, surveying, traffic modeling, environmental documentation, and mapping. Engineering professional services are paid from the design bridge consultant budget that is part of the operating budget approved by the Commission; \$16 million is budgeted for consultant services for fiscal year 2012.

The department uses a qualifications based selection process for procuring professional services. This process meets the requirements under federal law, the Brooks Act, and state law and promotes an open competition based on demonstrated competencies and qualifications for the type of work needed. Price is not a determining factor in the selection and is only negotiated after selection.

MoDOT has a team that monitors the selection process called the Professional Services Committee (PSC). The PSC has three members, the Assistant Chief Engineer, the State Design Engineer, and the State Bridge Engineer. Other division heads are included as a temporary member of the committee when consultants are hired to work for their division.

The department uses two solicitation processes, standard or modified. In the standard solicitation process the department advertises the project publicly by sending an email to over 500 engineering firms and posting a notice on the department's website. Firms that are interested submit a letter of interest to the department. A team from the division or district that requested the services reviews the letters and prepares a short list of firms for consideration. The team will review and evaluate experience, competency, capacity of the firm and staff to perform the work in the required time frame, past performance, familiarity of the project, and experience with MoDOT's practical design philosophy. The team will then conduct additional reviews of the short list of firms and this process may involve interviews, presentations, or in depth analysis of the letters of interest. Once a selection is made it is submitted to the PSC for approval. Once the PSC approves the selection, then the department will negotiate the scope and price of the project with the selected firm. If the department is unable to obtain a reasonable price, negotiations will cease with the first choice, and the department will begin negotiations with the second choice. After the prices and scope are negotiated, the selection is submitted to the PSC for final approval prior to execution of an agreement with the consultant. The majority of MoDOT projects go through the standard solicitation process.

There are a few specific situations where the modified solicitation process is used: when time is an issue for emergency projects, the work is really unique or specialized such as environmental work to address a threatened or endangered species, or for contracts that are less than \$25,000. Consultants selected under the modified solicitation process are also presented to the PSC for approval.

Another process the department uses to hire consultants includes the on-call or hourly rate contracts. The department uses the qualifications based selection process to procure firms for on-call or hourly rate work. On-call and hourly rate contracts are used for twelve categories of work for small projects that require quick delivery and are less than \$100,000. The department enters into master

agreements with a firm for a three year period. The district or division may select a firm from the list of consultants available for work under the on-call or hourly rate process, and enter into a memorandum of understanding to accomplish the needed work.

The Design/Bridge Engineering Consultants report reflects the current active consultant work on projects contained in the Statewide Transportation Improvement Program. Ms. Harvey reviewed this quarter's report with the Commission explaining the department currently has 56 active contracts with 34 consulting firms. Five of those firms are disadvantaged business enterprises with an active contract. The expenditures for consultants year to date is \$9.3 million.

Ms. Harvey explained the department has a strong partnership with the consultant industry that has been cultivated through the non-political consultant selection process, inclusion of the industry in the development and refining of engineering policies, regular meetings with the industry, and prompt payment of consultants. She then introduced Dan Meckes, President of Crawford, Murphy, and Tilly and also the American Council of Engineering Companies of Missouri Transportation Committee Chair. Mr. Meckes stated MoDOT's consultant selection process is fair, consistent, efficient, and very competitive. The consulting industry appreciates the efficient process that minimizes consultant costs, involves MoDOT's project managers who are ultimately responsible for the project results, and that the department considers past performance in its evaluation of a consultant. Following discussion and inquiry, the Commission thanked Ms. Harvey and Mr. Meckes for the presentation.

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CONSIDERATION OF BIDS FOR ROADWAY IMPROVEMENTS

On behalf of the Director, Kathy Harvey, State Design Engineer, presented the following recommendations pertaining to bids received on federal-aid and state highway and bridge projects during the past month. She noted Calls D03, F02, and F03 have local funding, and she reported that concurrence with staff's recommendations had been received from the cities and noted in Table I below.

Ms. Harvey recommended (1) Award of contracts to the lowest responsive bidders for bids received at the January 20, 2012, letting, as recommended and noted in Table I below. (2) Rejection of bids received on Call D01, as noted in Table II below, due to the bids being excessive per Section 102.15(a) of the Missouri Standard Specifications for Highway Construction. (3) Concur in Union Pacific Railroad's award of the project to construct a new railroad bridge across the Osage River at Osage City, as noted in Table III.

**Table I
Award of Contracts
January 20, 2012, Bid Opening**

Call No.	Route	County	Job No.	Bid Amount	Non-Contractual Costs	Contractor	Description
A01	13, Bus. 36	Daviess, Caldwell	J1L1201	\$1,753,223.80	\$288.00	Herzog Contracting Corp.	Thin Lift Overlay (SL)
	A	Gentry	J1L1203		144.00		
A02	36	Dekalb, Buchanan	J1P2217	2,223,498.17	656.00	APAC- Missouri, Inc.	Coldmill, Alternate Resurface (SP or Unbonded PCCP)
B01	61	Lincoln	J3P2147	1,793,703.55	328.00	Chester Bross Const. Co. / C.B. Equipment, Inc.	Resurface Northbound Lanes (SP) & Shoulders BP-1
B02	19	Audrain, Ralls	J3P2152	4,152,487.41	656.00	Chester Bross Const. Co. / C.B. Equipment, Inc.	Resurface (SP & BP-1)
B03	61	Pike, Lincoln	J3P2210B	1,114,976.72	656.00	Chester Bross Const. Co. / C.B. Equipment, Inc.	Full Depth Pavement Repair & Resurface (Type C UBAWS)
B04	A	Lincoln, Warren,	J2L1205C	1,380,265.21	144.00	Chester Bross Const. Co. / C.B. Equipment, Inc.	Seal Coat
	H	Warren	J2L1205D		144.00		
	W		J2L1205E		144.00		
	JJ	Lincoln	J2L1205F		144.00		
	B		J2L1205G		144.00		
	OO		J2M0256		144.00		
	Z	Pike, Lincoln	J2L1205H		144.00		
	H	Pike	J2L1205I		144.00		

C01	70	Jackson	J4I2259	9,634,236.53	0.00	Ideker, Inc.	Coldmill, Resurface w/SP, ADA Improvements, Signals, Signing
	70		J4I2357		656.00		Full and Partial Depth Pavement Repair
	40		J4P1669		656.00		Resurface (SP), ADA Sidewalk Improvement, Rt. Turn Widening
C02	169	Clay	J4S1670	1,646,343.86	418.00	Superior Bowen Asphalt Company, L.L.C.	Coldmilling, Resurface (Type C UBAWS) and Pavement Repair
C05	Various	Platte, Clay, Buchanan	J4P2323	1,958,447.61	0.00	Superior Bowen Asphalt Company, L.L.C.	Thin Lift Overlay (SL), Seal Coat w/1 Add Alt.
C06	Various	Various	J4P2330	543,335.61	512.00	Clarkson Construction Company	Alternate Slide Repair
C07	92	Platte	J4P3003	124,699.63	144.00	Clarkson Construction Company	Streambank Stabilization
D02	52	Miller	J5L1200F	950,322.98	144.00	Jefferson Asphalt Company	Thin Lift Overlay (SL)
		Miller, Maries	J5L1200G		0.00		
D03*	54	Camden	J5P2228	500,535.21	144.00	APAC-Missouri, Inc.	Bridge Widening w/1 Add Alternate ADA Improvements
	5		J5M0253		0.00		Widen Ramp and Install Signals
D07	C	Maries, Gasconade	J5L1205E	1,087,036.61	144.00	Chester Bross Const. Co. / C.B. Equipment, Inc.	Seal Coat
	Y	Gasconade	J5L1205F		144.00		
	B		J5L1205G		144.00		
	V		J5L1205H		144.00		
	P		J5L1205I		144.00		
	H	Maries	J5L1205D		144.00		
F01	I-55	Jefferson	J6I1010H	4,857,570.18	119,925.70	Gershenson Construction Co. Inc.	Optional Paving, Construct 2 Ramps and Bridge
F02**	61 Spur	Jefferson	J6S2262	5,880,732.26	20,100.00	Vee-Jay Cement Contracting Company Inc.	Alternate Paving (SP or PCCP) to Add Lanes
			J6S2414		0.00		Relocate Intersection at Scenic Dr.

F03***	47	Franklin	J6P2286	3,850,491.94	5,415.44	Kolb Grading, LLC	Grading, Alt. Paving (SP or PCCP) to Relocate Outer Rds.
F04	364, D	St. Louis	J6P2364	1,451,764.03	706.00	N.B. West Contracting Company	Full Depth Pavement Repair and Resurface (Type B UBAWS)
F05	I-44, 30	St. Louis City	J6I2390	659,226.00	0.00	J.M. Marshuetz Construction Co.	ADA Improvements
F06	30	Jefferson	J6P2373	547,347.31	0.00	L. F. Krupp Construction, Inc. DBA Krupp Construction	Optional Paving (BP-1 or PCCP), Lighting and Signals
F07	47, 100	Franklin	J6P2138, J6P2140	2,576,785.86	0.00	Magruder Paving LLC	UBAWS and Alternate Resurface (PCCP, SP)
G01	71	Vernon	J7P0799	1,280,103.78	656.00	Widel, Inc.	Bridge Replacement
G02	I-44	Greene	J8I2198	5,449,922.80	1,312.00	APAC-Missouri, Inc.	Coldmill, Resurface (SP)
			J8I2198B		1,312.00		Coldmill, Resurface (SP) Ramps
			J8I2445		1,312.00		
G03	60	Greene	J8P2411	1,038,271.03	0.00	Chester Bross Const. Co. / C.B. Equipment, Inc.	Pavement Repair
	I-44, 60	Various	J8I2446				Pavement Repair, Resurface (SP) Ramps
	60		J8P2412				Pavement Repair
G04	N	Christian, Stone	J8L1300E	1,341,625.17	0.00	Leo Journagan Construction Co., Inc.	Thin Lift Overlay (SL)
	M	Stone	J8L1300F				Resurface (BP-1)
	M	Stone	J8S2433				Thin Lift Overlay (SL)
	NN	Greene, Christian	J8S2468				Resurface (BP-1)
	J	Greene	J8S2467				Thin Lift Overlay (SL)
G05	Various	Greene	J8P2394	199,199.00	0.00	Truesdell Corporation Midwest	Bridge Deck Sealing (32 Bridges)
G07	43	Jasper	J7P2171B	859,961.90	1,312.00	APAC-Missouri, Inc.	Grading, Drainage, and Paving for a New Roundabout
G08	71	Bates	J7P0659	5,495,166.74	1,329.80	Lehman Construction, L.L.C.	Construct New Outer Roads, Bridges

H01	K	St. Francois	J9M0251	1,695,975.55	144.00	Chester Bross Const. Co. / C.B. Equipment, Inc.	Thin Lift Overlay (BP-1 & SL)
	E, F	Washington	J9S2216G		0.00		Thin Lift Overlay (SL)
	M	St. Francois, Washington	J9S2216H		0.00		Thin Lift Overlay (SL)
H02	T	Perry	J0S2230	956,287.83	0.00	Widel, Inc.	Bridge Replacement
H03	60	New Madrid	J9B0801K	1,682,757.70	656.00	Joe's Bridge & Grading, Inc.	Bridge Rehabilitation
	61	Stoddard	J0B0801L		656.00		
H04	164	Dunklin	J9M0256	2,954,769.39	144.00	Apex Paving Co.	Thin Lift Overlay (SL)
	61	Pemiscot	J9M0255		144.00		
	62	New Madrid	J9M0262		144.00		
	J	Pemiscot	J9L1205D		144.00		Seal Coat
H05	ZZ	New Madrid	J0S2220	214,344.50	0.00	Joe's Bridge & Grading, Inc.	Bridge Replacement
H06	17	Texas, Laclede	J9L1205B	592,805.37	200.00	Missouri Petroleum Products Company, LLC	Seal Coat
	F	Wright	J9L1205C		200.00		
			SUB- TOTAL:	\$72,448,221.24	\$163,230.94		
Job Order Contracting							
C03	70	Jackson	J4I2377	650,000.00	0.00	Comanche Construction, Inc.	Job Order Contract - Bridge Repair
C04	Various	Cass, Clay, Jackson, Platte	J4P2319	2,346,000.00	0.00	Comanche Construction, Inc.	Job Order Contract - Bridge Repair
G06	249	Jasper	J7U2221	2,591,215.50	0.00	Branco Enterprises, Inc.	On Call Slide Repair Work
			SUB- TOTAL:	\$2,961,000.00****	0.00		
			TOTAL:	\$75,409,221.24	\$163,230.94		

* Call D03 – Funding by the City of Camdenton \$87,826.95.

** Call F02 – Funding by the City of Herculaneum – J6S2262 – \$2,413,684.42.

** Call F02 – Funding by the City of Herculaneum – J6S2414 – \$1,125,640.81.

***Call F03 – Funding by the City of St. Clair \$2,194,780.41.

****Subtotal Award Amounts Changed to Reflect Program Cap.

**Table II
Rejection of Bids
January 20, 2012, Bid Opening**

Call No.	Route	County	Job No.	Description
D01	K	Boone	J5L1200H	Thin Lift Overlay (SL)
			J5S2215	Grading, Drainage, and Paving for Shoulders

**Table III
Concurrence of Award
January 20, 2012, Bid Opening**

County	Bid Amount	Contractor	Description
Cole, Osage	\$19,941,480.40	OCCI, Inc.	New Railroad Bridge Over the Osage River at Osage City

Commission Consideration and Action

After consideration, and upon motion by Commissioner Miller, seconded by Commissioner Suelthaus, the Commission took the following action with the abstentions noted below:

1. Awarded contracts to the lowest responsive bidders for bids received on the January 20, 2012 bid opening, as recommended and noted in Table I above. Non-contractual costs for these projects are shown on the above tabulation.
2. Rejected the bids received on Call D01, as noted in Table II above, because they were considered excessive.
3. Concurred in Union Pacific Railroad's award to construct a new railroad bridge over the Osage River at Osage City.

Commissioner Carmichael abstained from voting on Call D04. Commissioner Farber abstained from voting on Calls G03, G05, G06, and G07. Commissioner Miller abstained from voting on Calls A01, C02, C05, C06, C07, G04, and G06. In keeping with the Commission's Delegation of Authority to Execute Documents Policy, the Director, Chief Engineer, or the Chief Financial Officer may execute the contracts awarded above.

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2012 – 2016 STATEWIDE TRANSPORTATION IMPROVEMENT PROGRAM, 2012 AMENDMENT

On behalf of the Director, Dave Nichols, Chief Engineer, recommended additions, deletions, or modifications to two projects to the 2012-2016 Statewide Transportation Improvement Program (STIP) that was approved in July 2011, as noted in the tabulations below.

**2012 – 2016 STIP
Highway and Bridge Construction Schedule
February Amendments
Projects Added, Modified, or Deleted**

District County Job No.	Route	Description of Improvement/Location	Tentative Award State Fiscal Year and Change by Type	Change in Construction and Right of Way Funds (Dollars in Thousands)	Change in Engineer- ing Funds (Dollars in Thousands)
KC Jackson J4P2250	350	Planning and design work for access management improvements from I-435 to I-470 within the City of Raytown.	2012 & 2013 PE	\$180	\$4
KC Lafayette J4P1103C	13	Pave on-ramp from eastbound Route 224 to southbound Route 13 in Lexington, includes signing and striping modifications.	2012 CN	\$175	\$17
			TOTAL:	\$355	\$21

Via approval of the consent agenda, the Commission unanimously approved the amendments to the 2012 – 2016 STIP as noted in the tabulations above.

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CHANGE IN ACCESS, BREAK IN ACCESS, ROUTE 160, GREENE COUNTY

On behalf of the Director, Becky Baltz, Southwest District Engineer, recommended approval of a request from the City of Springfield to construct a forty-foot right-in and right-out entrance centered at the westerly right of way line of Route 160 at Station 35+44. The break will be a non-arterial connection constructed to accommodate a commercial development. The City of Springfield shall provide geometric improvements along Route 160. The improvements shall include, but are not limited to, widening Route 160 to provide for a right turn lane.

Via approval of the consent agenda, the Commission unanimously approved the request of the City of Springfield, as described above with \$56,250.00 compensation due the Commission for the change in access.

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CHANGE IN ACCESS, BREAK IN ACCESS, ROUTE 168, MARION COUNTY

On behalf of the Director, Paula Gough, Northeast District Engineer, recommended approval of a request from Weatherstone Real Estate, L.L.C. to construct a forty-five foot entrance centered at the southerly right of way line of Route 168 at Station 30+10. The break will be a non-arterial connection constructed to accommodate a commercial development. Weatherstone Real Estate, L.L.C. shall provide geometric improvements along Route 168. The improvements shall include, but are not limited to, widening Route 168 to provide for a right turn lane and a left turn lane.

Via approval of the consent agenda, the Commission unanimously approved the request of the Weatherstone Real Estate, L.L.C., as described above with \$900.00 compensation due the Commission for the change in access.

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CONSIDERATION OF AN AGREEMENT WITH CITY OF WILLOW SPRINGS

On behalf of the Director, Kelly Lucas, Right of Way Director, presented a unique agreement with the City of Willow Springs. On June 8, 2011, the Commission approved the Bolder Five-Year Direction, which included the closure of the former District 9 office complex in Willow Springs, Missouri, and directed MoDOT staff to utilize the closed district office complex for the benefit of the local community. Ms. Lucas reported staff determined the transaction outlined in the agreement will provide economic development opportunities to the City of Willow Springs and constitute a benefit to the Commission, the City of Willow Springs, Howell County, and the State of Missouri.

Terms of the agreement provide for a ten-year lease with the option for the city to acquire ownership of the property upon meeting certain economic development goals. If at the end of the lease period the City of Willow Springs falls short of reaching the economic development goal of job creation with an anticipated combined salary and tuition reimbursements of \$1,305,630, the City has the option to purchase the property for the difference between the anticipated combined salary plus tuition

payments and the actual combined salary plus tuition payments realized by the City. The methodology for reaching the economic development goal was shared with representatives of the Department of Economic Development who verbally advised MoDOT staff that the methodology described in the agreement is reasonable.

The appraised value of the property is \$1,467,000. However, market data research indicates that commercial properties sell for approximately 89% of the asking price. Therefore, MoDOT staff considers \$1,305,630, which is 89% of the appraised value, to be a reasonable negotiated amount. Staff reviewed the economic development anticipated for the City of Willow Springs and Missouri compared to the value of the assets to be conveyed to and used by the City of Willow Springs and considers the agreement to represent a reasonable exchange.

Ms. Lucas recommended the Commission authorize the Director, Chief Engineer, or Chief Financial Officer to execute the agreement with the City of Willow Springs to encourage economic development and other new employment opportunities. In exchange for the nominal lease and future conveyance of the former Willow Springs District Office Complex, the City of Willow Springs will develop a continuing education and small business incubator center that are expected to generate new jobs and additional economic activity to the community through student tuition with an anticipated combined salary (for the first year each job is created) and tuition payments of \$1,305,630. Upon motion by Commissioner Hunt, seconded by Commissioner Suelthaus, the Commission unanimously approved the recommendation, and adopted the following resolution.

RESOLUTION AUTHORIZING THE EXECUTION OF A LEASE WITH OPTION TO PURCHASE AGREEMENT WITH THE CITY OF WILLOW SPRINGS

WHEREAS, the Commission is duly organized and is vested with the powers and duties specified in Article IV, Sections 29 and 30(b) of the Missouri Constitution as well as Chapters 226 and 227 of the Revised Statutes of Missouri, as amended, including authority to construct and maintain the State Highway System and authority to acquire buildings for its construction and maintenance; and

WHEREAS, the Commission is authorized by Section 227.290.2 of the Revised Statutes of Missouri, in its discretion, to convey at no cost, or exchange, land or leaseholds that are no longer necessary for the construction and maintenance of the State Highway System to any federal, state or local governmental entity; and

WHEREAS, on June 8, 2011, the Commission approved by Resolution A Bolder Five Year Direction, which will save **\$512 million** statewide over a five year period, including savings of **\$11.2 million** in personnel services expenses and **\$340,000** in building maintenance and operation for a total of **\$11.54 million** from closing the former District 9 office complex in Willow Springs, Missouri, that will be used for the construction and maintenance of the State Highway System; and

WHEREAS, on June 8, 2011, as part of its approval of A Bolder Five Year Direction, the Commission directed the Missouri Department of Transportation to utilize the former District 9 office complex for the benefit of the local community to mitigate the effect of the resulting job losses in the area; and

WHEREAS, Willow Springs expressed interest in acquiring the former District 9 office complex for use by the City as a business incubator and continuing education center, in anticipation of encouraging economic development and creating new jobs in the area to mitigate the negative economic impact from the loss of jobs eliminated by the closing of the former District 9 office complex; and

WHEREAS, in response to the City's interest in acquiring the former District 9 office complex, the Commission is willing to grant to the City a lease with an option to purchase; and

WHEREAS, in lieu of payment of the **\$1,305,630** negotiated purchase price for the conveyance of the former District 9 office complex to the City, the Commission is willing to lease the former District 9 office complex to the City for nominal consideration (**\$1**) for 10 years in exchange for the City's commitment to either: (1) achieve economic development during the term of the lease through creation of long term new jobs as determined by the Commission, earning a cumulative amount of salaries/wages and tuition payments equal to the **\$1,305,630** negotiated purchase price for the former District 9 office complex; or (2) if the combined salaries and benefits of all the new long term jobs and tuition payments over the entire lease are less than the **\$1,305,630** economic development goal, the City must pay the Commission the difference between the **\$1,305,630** negotiated purchase price and the economic development achieved; and

WHEREAS, if the City does not make reasonable progress towards the economic development goal during the lease, MHTC may terminate the agreement; and

WHEREAS, the lease with option to purchase reserves the right to approve any sublease and the Commission encourages the City to work together with the local educational institutions for the betterment of the community and region; and

NOW, THEREFORE, BE IT RESOLVED BY THE MISSOURI HIGHWAYS AND TRANSPORTATION COMMISSION, that the Director, Chief Engineer or Chief Financial Officer are authorized to execute the lease with option to purchase agreement with the City of Willow Springs.

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-- REPORTS --

The Commission received the following written reports.

A BOLDER FIVE-YEAR DIRECTION

Kevin Keith, Director, provided to the Commission the monthly update of the Bolder Five-Year Direction. On June 8, 2011, the Commission approved the Bolder Five-Year Direction which will reduce staff by nearly 1,200 employees, close 131 facilities, and reduce MoDOT's fleet by more than 740 units.

As of December 31, 2011, there has been a reduction of 861 salaried positions since February 28, 2010. To reach the target of 5,106 employees, the department needs to reduce an additional 335 salaried positions. MoDOT has conveyed seven facilities and eliminated 162 pieces of equipment. As of December 31, 2011, the department realized total savings of \$186 million.

The February report focused on MoDOT's efforts to outsource for excessive work or specific expertise. Progress of the overall plan was also shared in the report.

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**FINANCIAL – BUDGET - REPORTS
YEAR-TO-DATE FINANCIAL REPORT, PERIOD ENDING DECEMBER 31, 2011**

Brenda Morris, Financial Services Director, provided to the Commission the Fiscal Year 2012 monthly financial report for the period ended December 31, 2011, with budget and prior year comparisons.

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FINANCIAL ACCOUNTABILITY REPORT, QUARTERLY REPORT

Brenda Morris, Financial Services Director, provided to the Commission the written Quarterly Financial Accountability Report for the period ending December 31, 2011.

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AUDITS AND INVESTIGATIONS' ANNUAL REPORT

Bill Rogers, Director of Audits and Investigations, provided to the Commission the Audits and Investigations 2011 Annual Report.

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

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The Mission of the Missouri Highways and Transportation Commission is to:

- Represent the citizens of Missouri pursuant to the Constitution by providing independent and nonpartisan governance of the Missouri Department of Transportation; and
- Establish policies, exercise oversight, and ensure accountability in developing and maintaining a world class transportation system in Missouri which fosters safety and economic development.

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