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February 1, 2017

Mr. Walter C. Waidelich, Jr.
Acting Deputy Administrator
Federal Highway Administration
1200 New Jersey Avenue, SE
Washington, D.C. 20590

RE: Voluntary Resolution Agreement (VRA) of December 17, 2015 – US 181 Harbor Bridge Replacement Project in Corpus Christi, Texas

Dear Mr. Waidelich:

The Texas Department of Transportation (TxDOT) is writing to you concerning the letters from the Federal Highway Administration (FHWA) dated October 13, 2016, December 19, 2016, and January 18, 2017. The letters commented on TxDOT's implementation of the VRA.

As a result of our discussions, I believe that TxDOT and FHWA have reached an agreement on how to amend the VRA and implement it. To the extent the contents of this letter agreement differ from or conflict with the VRA, the terms of this letter agreement shall govern. The issues agreed to are as follows (the capitalized terms are as defined in the VRA):

1. Section VI.B.4 of the VRA, under which TxDOT is to carry out a Relocation Benefits Program, is amended as follows:
 - a. Beginning on July 1, 2017, TxDOT will offer, or cause to be offered, relocation benefits for Tenants of Residential Property, the Owners of which have not elected to participate in the Acquisition Program prior to July 1, 2017. After July 1, 2017, the Owner of the Residential Property does not need to participate in the Acquisition Program in order for the Tenant to be eligible to participate in the Relocation Program. However, a Tenant must otherwise satisfy the eligibility requirements in the VRA, including being a Tenant of the subject Residential Property on January 1, 2016, and continuously thereafter. A Tenant will be eligible only after the end of the term of any valid written lease. Neither TxDOT, the Port of Corpus Christi Authority, nor the Port Authority's relocation consultant, will pay any lost rent, fees, penalties, court costs, attorney's fees, or other costs associated with a Tenant violating the terms of a lease agreement. TxDOT will provide a written notice of the Relocation Program to Tenants no later July 1, 2017.
 - b. TxDOT will provide relocation benefits and assistance to eligible displaced Owners of Residential Rental Property as follows: (1) only the expenses related to relocation of Owner's personal property located within the Residential Rental Property as provided by 49 C.F.R. § 24.301(g)(1)-(3), (5)-(6), with such expenses to be calculated under the process provided by 49 C.F.R. § 24.301(d), and (2) applicable relocation assistance advisory services as provided in 49 C.F.R. § 24.205(c). Such Owners will receive no other relocation assistance or benefits. To be eligible for these relocation benefits, the

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displaced Owner must own the subject Residential Rental Property on January 1, 2016, and continuously thereafter. (By definition under the VRA, the Owner of Residential Rental Property does not occupy the displacement dwelling. Accordingly, and for the absence of doubt, the Owner is not eligible for replacement housing payments and housing of last resort payments.)

2. Under Section VI.B.3 of the VRA, TxDOT is to carry out an Acquisition Program, so that the Owner of a Residential Rental Property will receive the approved appraisal of the value of the property as determined under the appraisal process in 49 C.F.R. §§24.103 and 24.104, without giving effect to any rules that might render such rules inapplicable. The Owner will receive no payments for the property in excess of the approved appraisal.
3. The restrictions in 42 U.S.C. § 4605 and 49 C.F.R. § 24.208 apply to a Person's eligibility to receive benefits under the Relocation Benefits Program. There are no other laws or agreements that render such restrictions inoperative.
4. The programs available under the VRA are voluntary and therefore the appeal procedures in 49 C.F.R. § 24.10 and 43 T.A.C. § 21.118 do not apply. However, TxDOT will make available an appeal procedure concerning the person's eligibility for, or the amount of, benefits calculated under the Relocation Program. The Executive Director of TxDOT or his designee will be the agency official reviewing the appeal and making the final decision, if there is such an appeal. TxDOT will share the appeal procedure with the FHWA Texas Division Office prior to implementation. As is consistent with FHWA standard processes, there will be no appeal of a decision to FHWA, and FHWA will not otherwise participate in the appeal process. For the absence of doubt, there is no appeal procedure available concerning the Acquisition Program. FHWA will ascertain whether TxDOT has complied with its obligations under the Relocation Program and Acquisition Program through routine project file reviews and through review of the quarterly reports required by the VRA.
5. This letter agreement will be effective upon the last party signing it. Upon the effective date, TxDOT will direct the Port of Corpus Christi Authority and its relocation consultant to start immediately making written offers to Owners, Tenants, and Businesses according to the terms of the VRA, as amended by this letter agreement.
6. Nothing in this letter agreement delays or alters the time periods established in the VRA concerning TxDOT's implementation of the Acquisition Program and the Relocation Program.
7. This letter agreement resolves and satisfies all issues raised in FHWA's letters of October 13, 2016, December 19, 2016, and January 18, 2017. FHWA finds that TxDOT's actions are in compliance with the VRA, and directs that TxDOT carry out the requirements of the VRA consistent with this letter agreement.
8. Except as expressly set forth in this letter agreement, the terms of the VRA have not changed. There are no other outstanding disagreements, concerns, or differences between FHWA and TxDOT regarding the Harbor Bridge Relocation Project. For the absence of doubt, this letter agreement resolves every outstanding issue between FHWA and TxDOT regarding the Harbor Bridge Replacement Project as of the effective date of this letter agreement, including the meaning and implementation of the VRA.

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- 9. This is the entire agreement to resolve and satisfy the issues raised in FHWA's letters of October 13, 2016, December 19, 2016, and January 18, 2017. No prior understandings, drafts exchanged, representations, inducements, promises or agreements, oral or otherwise, between the parties not embodied herein shall be of any force or effect, nor shall they be used to show the intent of the parties.
- 10. Nothing in this letter agreement shall be construed as creating liability in favor of any third party or parties against FHWA or TxDOT.

If you agree with my description of the resolution of issues as described in this letter, I ask that you counter-sign the letter (below) and return a copy to me.

Please let me know if you have any questions.

Sincerely,

James M. Bass
Executive Director

Agreed to and accepted this 3rd day of February 2017, by the FEDERAL HIGHWAY ADMINISTRATION.

By:
Walter C. Waidelich, Jr.
Acting Deputy Administrator

- cc: Irene Rico, Associate Administrator, Office of Civil Rights, FHWA
- Al Alonzi, Division Administrator, FHWA
- Marc Williams, Deputy Executive Director, TxDOT
- Chris Caron, District Engineer, Corpus Christi District, TxDOT
- Charles Zahn, Chairman, Port of Corpus Christi Authority