

10. CARRYOVER SPEND DOWN UPDATE – STATUS ON PROJECTS NOT ON TRACK FOR AUGUST 2026 LETTING

**BACKGROUND**

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The Unified Planning Work Program (UPWP) directs the Metropolitan Planning Organization (MPO) to monitor, track, and report to the Transportation Policy Council (TPC) and Technical Advisory Committee (TAC) the delivery status of projects included in the 2025–2028 Transportation Improvement Program (TIP).

As part of this effort, H-GAC conducted meetings with 35 project sponsors to review 122 TIP Carryover Spend-Down (COSD) projects totaling approximately \$900 million across three funding categories: Congestion Mitigation and Air Quality (CMAQ) Program/Category 5, Surface Transportation Block Grant (STBG) Program/Category 7, and Carbon Reduction Program (CRP)/Category 10.

Based on this COSD monitoring conducted prior to the April TPC reporting cycle, two projects were identified as at risk of not meeting August 2026 letting, and 17 projects were not expected to meet the August 2026 letting. These projects are funded through STBG (Category 7) and CMAQ (Category 5).

**CURRENT SITUATION**

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Following the April TPC discussion, H-GAC conducted targeted coordination with project sponsors to obtain updated, project-specific status information, including schedule, readiness, risks, and anticipated letting timelines for projects not expected to meet the August 2026 letting.

Please see the updates summarized below regarding the 19 projects identified at the April TPC meeting as either at risk for or not on track for the August 2026 letting (totaling \$166.5 million):

*1. Projects On Track for August 2026 Letting:*

Four projects have advanced and are now expected to meet the August 2026 letting, representing approximately \$39.1 million, all funded through STBG (Category 7).

*2. Projects with Targeted Fall 2026 Letting:*

Five projects are anticipated to let/obligate sometime in Fall 2026 (September–October), representing approximately \$7.1 million, all funded through STBG (Category 7).

*3. Projects with Targeted Late 2026/Early 2027 Letting:*

Five projects are expected to let/obligate between late 2026 and early 2027 (December 2026– March 2027), representing approximately \$38.4 million. The projects are funded with \$16 million from CMAQ (Category 5) and \$22.4 million from STBG (Category 7).

*4. Projects with Undefined or Uncertain Timelines, or Special Circumstances:*

Four projects totaling approximately \$3 million currently lack a defined letting schedule, and one project representing approximately \$78.8 million has a targeted timeframe for after August 2027 and a special circumstance. These projects are funded with \$550,000 from CMAQ (Category 5) and \$81.3 million from STBG (Category 7).

The sections below reflect the results of this coordination effort, providing detailed project-level updates, including funding and current status for each project.

### Projects On Track for August 2026 Letting

#### Fort Bend County

**SH 99 NBR From S. Fry Rd to Westheimer Pkwy** (MPOID 19200, CSJ 3510-04-069)

Authorized Budget: \$17,786,060 (Cat 7)

The project is progressing toward an August 2026 letting, with utility relocations expected to be cleared by July and environmental updates currently being finalized.

**SH 99 SBFR From Westheimer Pkwy to S. Fry Rd** (MPOID 19201, CSJ 3510-04-071)

Authorized Budget: \$17,634,381 (Cat 7)

This project is on a similar timeline to MPOID 19200, positioning it for an August 2026 letting.

#### City of Friendswood

**FM 528 at Sunset Intersection Improvements** (MPOID 19063, CSJ 1414-01-024)

Authorized Budget: \$61,492 (Cat 7)

This striping-focused project will be accelerated and let in August 2026.

**Friendswood Pkwy / Pearland Pkwy** (MPOID 19074, CSJ 0912-00-736)

Authorized Budget: \$3,625,000 (Cat 7)

The (E-phase) project remains pending AFA execution. The TxDOT Houston District submitted the AFA for Division review in mid-February 2026, and as of mid-May 2026, it is being advanced to Contract Services for execution. Federal fund obligation is expected approximately two months after execution. (Target timeframe for obligation is August 2026).

### Projects with Targeted Fall 2026 Letting

#### City of League City

**TxDOT Traffic Signal Improvements** (MPOID 19216, CSJ 0912-73-248)

Authorized Budget: \$3,919,550 (Cat 7)

The project design is 90% complete, with the Advanced Funding Agreement (AFA) executed and Notice to Proceed (NTP) received from TxDOT in May 2026. A TxDOT PM has been assigned and has received the plan set; given the standard equipment upgrade scope, reviews are expected to proceed efficiently, with local letting estimated in 4–5 months. (Target letting timeframe: September 2026-October 2026)

#### TxDOT Beaumont District

**River Ranch Parkway** (MPOID 19227, CSJ 0920-02-102)

Authorized Budget: \$1,000,000 (Cat 7)

Project sponsor changing to Liberty County. The official sponsor change and AFA process would not be complete prior to the August deadline. (Target letting timeframe: October 2026)

**US 90 Relief Route Around City of Dayton** (MPOID 19228, CSJ 0388-03-089)

Authorized Budget: \$1,000,000 (Cat 7)

Project sponsor changing to Liberty County. The official sponsor change and AFA process would not be complete prior to the August deadline. (Target letting timeframe: October 2026).

**SH 146** (MPOID 19229, CSJ 0388-03-089)

Authorized Budget: \$700,000 (Cat 7)

Project sponsor changing to Liberty County. The official sponsor change and AFA process would not be complete prior to the August deadline. (Target letting timeframe: October 2026).

**FM 1409 Widening** (MPOID 19231, CSJ 0920-00-181)

Authorized Budget: \$500,000 (Cat 7)

Project sponsor changing to Liberty County. The official sponsor change and AFA process would not be complete prior to the August deadline. (Target letting timeframe: October 2026).

**Projects with Targeted Late 2026/Early 2027 Letting**

**City of League City**

**SH 96 and FM 270 Intersection Improvement** (MPOID 19219, CSJ 0912-73-250)

Authorized Budget: \$2,687,000 (Cat 7)

The project has executed the AFA and received NTP, with the kickoff meeting completed and design currently at 60% under TxDOT review. An unanticipated environmental clearance requirement is expected to delay progress longer than expected. Final design is targeted for mid-August 2026, followed by 5 months to letting. (Target letting: January 2027).

**City of Galveston**

**Seawall Blvd Resurfacing** (MPOID 19208, CSJ 0912-73-246)

Authorized Budget: \$10,000,000 (Cat 7)

The project has an executed AFA and has received NTP but is awaiting a TxDOT kickoff meeting and TxDOT PM assignment, after which it is expected to take about 6–8 months to letting with local letting helping streamline delivery (assuming a June kickoff, target letting timeframe: December 2026-February 2027).

**Stewart Road Mill and Overlay** (MPOID 19210, CSJ 0912-73-247)

Authorized Budget: \$6,500,000 (Cat 7)

The project has an executed AFA and has received the NTP. The project is awaiting a TxDOT kickoff meeting and is expected to take about 6–8 months to letting with local letting helping streamline delivery (assuming a June kickoff, target letting timeframe: December 2026-February 2027).

**City of Galveston ITS/ Traffic Signal Integration** (MPOID 19184, CSJ 0912-73-252)

Authorized Budget: \$16,000,000 (Cat 5)

The project has an executed AFA, with no NTP or TxDOT PM assigned yet, hence no kickoff meeting, but design is about 60% complete and is expected to move forward once the TxDOT coordination is established, with an estimated 6–9 months timeline afterward (assuming a June 2026 kickoff, target letting timeframe: December 2026-March 2027).

City of Friendswood

**Sunset Blvd Signal Improvements** (MPOID 19218, CSJ 0912-73-249)

Authorized Budget: \$3,250,000 (Cat 7)

The project is actively progressing through environmental clearance and internal design, with plans advancing toward completion. The AFA has been executed, and a TxDOT Project Manager has been assigned. Project is being designed by the City and is currently in 60% completion status. The anticipated timeframe for local letting is approximately 10 months, with (Target letting: March 2027).

Projects with Undefined, Uncertain Timelines, or Special Circumstance

City of Galveston

**Traffic Signal at 33<sup>rd</sup> St/ SH 275** (MPOID 19058, CSJ 3595-01-027)

Authorized Budget: \$540,000 (Cat 7)

The project is still in railroad coordination (critical path), which requires discussion to resolve railroad and signal timing issues before a definitive schedule can be established. The target for the 100% plan set is November 2026, with letting anticipated for 3-4 months after that, resulting in an estimated timeframe of February-March 2027. (While there is a preliminary target schedule, the uncertainty associated with the railroad coordination timeline suggests that the sponsor may need to re compete for the next call for projects).

City of Friendswood

**FM 518 & FM 528 Intersection Improvements (Phase 2)** (MPOID 19186, CSJ 0976-03-122)

Authorized Budget: \$550,000 (Cat 5)

The project is currently in question for advancing and will not meet the August 2026 letting, as the scope of the project is dependent on justification and coordination with a related project - MPOID 19060 (FM 518 at FM 528 Intersection (Phase 1)). (No target timeframe and the sponsor may need to re compete for the next call for projects).

**FM 528 at Winding Way Intersection** (MPOID 19061, CSJ 0981-02-012)

Authorized Budget: \$678,042 (Cat 7)

The project is advancing with TxDOT design, however due to pavement work on the project, utility conflicts are anticipated with utility relocations estimated to take approximately 9-10 months. With 30% design completed, this project is anticipated to let in Fall of 2027. (Due to targeted letting after August 2027, the sponsor may need to re compete for the next call for projects).

**FM 528 at Bay Area Blvd Intersection** (MPOID 19062, CSJ 0981-01-122)

Authorized Budget: \$1,235,700 (Cat 7)

The project requires additional scope beyond what was expected, with additional pavement work affecting an existing federally funded bike lane. TxDOT will not move forward with this project. (No target timeframe and sponsor may need to re compete for the next call for projects)

City of Houston

**IH 69/US 59 NHHIP Cap and Connectivity Improvements** (MPOID 19194, CSJ 0027-13-259)

Authorized Budget: \$78,800,000 (Cat 7)

This project is tied to NHHIP, and TxDOT has delayed this project. (Target letting: October 2027, recommendation for this special circumstance is to remain funded with COSD funding).

### RECOMMENDATION

Based on targeted coordination with project sponsors, staff recommends the following:

- Allowing additional time through the end of the first calendar quarter of 2027 (March 31, 2027) for the obligation and letting of projects with identified and reasonable delivery timelines, as outlined in this report.
- Projects that do not let or obligate by the end of March 2027 will lose their allocated carryover spend down funding commitment and may compete for funding in during a future call for projects for federal funding commitment.

### ACTION REQUESTED

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TPC approval of staff recommendations listed above.