

**US DOT TIGER II DISCRETIONARY GRANT
PROJECT APPLICATION
FOR
THE CITY OF WHARTON, TEXAS
(RURAL AREA)**

SUBMITTED: August 23, 2010

e-mail TIGERGrants@dot.gov.

Application # Armando - 0177



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Key Website References:

- www.cityofwharton.com
- www.whartonedc.com
- www.co.wharton.tx.us/ips/cms/countyinfo/
- www.txdot.gov/project_information/projects/houston/railway/default.htm
- www.h-gac.com/community/community/economic-development/gcedd/default.aspx

APPLICANT CONTACT INFORMATION

APPLICANT: City of Wharton
CONTACT PERSON: Andres Garza Jr., City Manager
EMAIL ADDRESS: agarza@cityofwharton.com
PHYSICAL ADDRESS: City of Wharton, 120 E. Caney St., Wharton, TX 77488
PHONE NUMBER: 979/532-2491
TYPE OF PROJECT: Highway and Bridge Construction located in a rural area
CONGRESSIONAL DISTRICT: TX-014

BRIEF DESCRIPTION OF PROJECT: Reroute FM 102 (a three lane state highway) 1.2 miles and construct a railroad overpass; extend FM 1301 (a two lane road) 1.2 miles to US 59, extend US 59 service road .75 miles and construct a northbound entrance ramp to US 59.

STATUS OF STIP: Not in STIP

STATUS OF ENVIRONMENTAL REVIEW/APPROVAL: The Phase I Environmental Site Assessment is complete and no items of environmental concern were noted on the subject site. The assessment found no basis for additional evaluation of subject site.

ESTIMATED COMPLETION DATE OF CONSTRUCTION: NOVEMBER 2012

ESTIMATED TOTAL PROJECT COST: \$13,628,000 includes Design, Right of Way Acquisition, and Construction.

ESTIMATED TIGER GRANT FUNDS BEING REQUESTED: \$8,628,000

ECONOMICALLY DISTRESSED AREA: According to 2000 Census, the City of Wharton meets the requirements for an "Economically Distressed Area" as defined in Section 301 of the Public Works and Economic Development Act of 1965.

STATE ENTERPRISE ZONE: Project Site is located in State Enterprise Zone established under State Law in 2002.

DUNN NUMBER: 070137716

TIGER APPLICATION Executive Summary

The City of Wharton is in urgent need for funding to construct a railroad overpass to improve the City's transportation system in accordance with its Transportation Plan and at the same time enhance the City's economic and residential development opportunities. The City of Wharton is a governmental entity with strong organizational leadership and is subject to compliance with all funding program regulations and audit requirements. The City employs experienced personnel who will administer this project. The City has successfully obtained funding from the State of Texas, United States Economic Development Administration and United States Department of Agriculture on several infrastructure projects and has demonstrated the capability to administer these projects. In the last ten years, the City has obtained over \$13.6 million in grant funding from State and federal agencies.

This investment has a high degree of commitment from the Wharton City Council, the Texas Department of Transportation (TxDOT), the Wharton Economic Development Corporation (WEDC) and other local, State and federal representatives.

This project consists of three inter-connecting road segments, each serving a role in economic development and providing a safer and more efficient transportation system for the City of Wharton, Wharton County and the southeast Texas region. The three segments of this project include:

- Rerouting FM 102 (a three lane state highway) 1.2 miles and constructing a railroad overpass,
- Extending FM 1301 (a two lane road) 1.2 miles to US 59, and
- Extending the US 59 service road .75 miles and constructing a northbound entrance ramp to US 59.

The engineering firm will be selected using the professional engineering services procurement process and the selected engineering firm will oversee the survey, design and construction of the project. The City of Wharton and the State of Texas will oversee the ongoing maintenance of the project once construction is completed. The project is estimated to begin the first quarter of 2011 and final construction is expected to be completed by the fourth quarter of 2012. The total estimated project cost including right of way acquisition, engineering and administration is \$13,628,000. The City of Wharton has committed \$3 million toward the project and TxDOT has committed an additional \$2 million.

The key to economic growth in Wharton and the region is to have the necessary infrastructure in place. This project will open areas for economic growth and continue the momentum of development that is currently occurring at the CenterPoint Intermodal Center just ten miles north of the City. This project also focuses beyond the immediate economic horizon, anticipates positive economic changes, and diversifies the local and regional economy by strategically including these improvements within the State designated Enterprise Zone, which allows incentives and benefits to employers. This application will show how this project addresses Economic Competitiveness, Livability, Sustainability and Safety. More importantly, this application will demonstrate how this project will foster employers in the region and provide an increased number of higher-skilled, higher-wage jobs and increased private sector investments to the community and region. In addition, the project's proximity to an interstate highway and an international rail line will provide long-term efficiency in the movement of goods and freight while increasing growth.

CITY OF WHARTON PROFILE www.cityofwharton.com

The City of Wharton has a population of approximately 9,500 people and an ever-growing, qualified workforce is approximately one quarter of the population. The City covers approximately 7 square miles. The City of Wharton, Texas is located approximately:

- 30 miles south of Sugar Land, Texas
- 56 miles southwest of the City of Houston, Texas, on US 59 (Proposed I-69)
- 45 miles north of the Gulf of Mexico
- 142 miles from Austin, Texas
- 173 miles from San Antonio, Texas
- 163 miles from Corpus Christi, Texas

For a detail outline on the City of Wharton, go to www.whartonedc.com/econd/focusonwharton.pdf .

The City of Wharton is also a member of the Houston-Galveston Area Council of Government (HGAC). HGAC is an association of local governments for Austin, Brazoria, Chambers, Colorado, Fort Bend, Galveston, Harris, Liberty, Matagorda, Montgomery, Walker, Waller, and Wharton counties comprising the Gulf Coast State Planning Region designated by the Governor of Texas. The Houston-Galveston Area Council's purpose is to assist local governments in serving today and helping to plan for tomorrow. The Houston-Galveston Area Council functions as a Regional Planning Commission under Ch. 391 of the Texas Local Government Code, and may exercise powers conferred on it by State Law or by its members.

The City of Wharton was founded as the County Seat in April 1846. Wharton County has a population of approximately 50,000 people covering approximately 1,076 square miles. The City remains a prime center for industry, education, medical services, agriculture and ranching. The County Library, County Museum and the County Courthouse are located within the City of Wharton. The City also offers a regional airport, a regional medical hospital and clinic, a state of the art civic convention center, a mass transit system, a main community college campus, and Wharton Independent School District. Wharton is proud of its heritage, strength, and community involvement.

The City's unique downtown square, with many historic buildings, was built around the turn of the last century, and is well known for its restaurants, as well as its gift and antique shops. The Plaza Theater located on the square has been completely restored to its former glory and now hosts live musical and theatrical performances. The Wharton County Courthouse was designed in the late 1800's by famed architect Eugene Heiner and was built to replace the 1851 structure. The building has gone through drastic changes over the years and has recently been restored to its original 1889 status and grandeur.

Economic Development in Wharton

In the area of economic development, the City of Wharton created the Wharton Economic Development Corporation (WEDC), a nonprofit entity, in March 1998 by reallocating one-half cent of the City's sales tax to WEDC. WEDC functions under the City, pursuant to Article 5190.6, Section 4B of the Development Corporation Act of 1979, as amended. Expenditures of the tax revenues are intended for the development of commercial, industrial and manufacturing enterprises and to promote and encourage employment and public welfare. The primary purposes of WEDC and its constituents include:

- Develop a positive climate for business and industrial growth and investment.
- Assist in job creation.
- Increase the tax base of the various taxing entities.
- Diversify the local economy to make it more impervious to state and national economic recession.
- Plan and take necessary actions to insure that all necessary infrastructure is in place to allow for proper development.
- Take necessary actions to stop negative developments from occurring that would deteriorate the quality of life in the City or impede future development.
- Act as a catalyst for solutions to problems that cross geo-political boundaries.

Health Care in Wharton

Gulf Coast Medical Center: As the region's largest comprehensive health care provider, Gulf Coast Medical Center (GCMC) in Wharton provides a full range of medical services for the residents of seven counties. The caring healthcare team at GCMC is staffed by dedicated professionals. GCMC is a modern 161 bed facility which provides acute care services that include obstetrics and gynecology, coronary care, intensive care and a full range of surgical services.

With approximately 100 physicians on staff and major outpatient services such as Cardiac Rehabilitation, Cancer Treatment Center, Rehabilitation Therapy, a Sleep Disorder Lab, and Hyperbaric Medicine, GCMC meets the health care needs of the communities it proudly serves. For more information about Gulf Coast Medical Center go to www.gulfcoastmedical.com

South Texas Medical Clinics: For over 60 years, South Texas Medical Clinics, P.A. (STMC) has worked to provide quality health care throughout the South Texas region. STMC is the result of a merger in August 1985 of two highly respected multi-specialty groups: Outlar and Blair Clinic and Rugeley and Blassingame Clinic. The purpose of the South Texas merger was, and is, to efficiently provide comprehensive, personal health care services. For more information about South Texas Medical Clinics go to www.stxmc.com.

Education in Wharton

Wharton County Junior College (WCJC) is a public, two-year, comprehensive community college offering a wide range of post-secondary educational programs and services including associate degrees, certificates, continuing-education courses, cultural affairs, and leisure-time activities. These programs benefit the community and a population of students that varies in age, background, and ability.

WCJC offers opportunities for individual growth and expression and promotes the development of the total person through scholarly and creative activity and the application of knowledge for the good of society. Its curricular and extra-curricular activities lay a foundation for lifelong learning and involved citizenship. WCJC encourages the pursuit of knowledge, innovation, experimentation, and excellence in human endeavor. It prepares students for entry-level positions and advancement in various occupations and professions. WCJC provides students a broad understanding of the liberal arts and sciences, prepares them for transfers to baccalaureate-granting institutions.

WCJC is an institution that emphasizes personal attention to students, innovation and flexibility in its credit and noncredit offerings, and responsiveness to the diversity of communities it serves. WCJC is dedicated to providing an educational environment that recognizes individuality, stresses the importance of human relationships, and reflects the democratic values of our society. For more information about Wharton County Junior College go to www.wcjc.edu.

Major Employers in the Wharton Area

| Firm | Product | # of Employees |
|----------------------------|-----------------------|----------------|
| Leedo's Cabinetry | Cabinet Manufacturing | 450 |
| Wharton ISD | Education | 400 |
| Gulf Coast Medical Center | Health Care | 350 |
| South Texas Medical Clinic | Clinic Health Care | 331 |
| Wal-Mart * | Retail | 270 |
| Maxim Production Company | Egg Farm | 258 |
| Wharton County | County Government | 253 |
| Wharton County Jr. College | Education | 236 |
| Nan Ya Plastics | Ridged PVC Film | 200 |
| HEB Food Store | Retail Grocer | 100 |
| J-M Manufacturing | PVC Pipe | 95 |
| Buc'ees* | Retail Travel Center | 94 |
| City of Wharton | City Government | 87 |
| Dorian Tool Company | Machine Tools | 52 |

*New major employers that have located to Wharton within the last five years.

RECENT MAJOR DEVELOPMENT IN THE AREA

Kansas City Southern (KCS) Rail Line and CenterPoint Intermodal Center

On July 17, 2009, Kansas City Southern (KCS) and CenterPoint Properties (CenterPoint) celebrated the opening of a reconstructed Texas rail line from Victoria to Rosenberg (an 84.5 mile railroad line) and the CenterPoint Intermodal Center-Houston Metro (CIC-HM) located near Kendleton, Texas, approximately ten miles north of Wharton.

The reconstruction cost of the line was \$161.2 million and will bring much needed rail capacity to south Texas thus reducing highway congestion and the number of trucks on Texas highways. The Victoria to Rosenberg rail line is an important part of a transcontinental main line that connects the heartland of the United States with the heartland of Mexico. It also connects every other major rail carrier in North America. The restoration of the line will allow this area of the State of Texas to be more economically competitive, leading to future economic opportunities and jobs.

The CIC-HM joint venture property owned by KCS and CenterPoint is an 800-acre development that includes an intermodal facility and a 636-acre industrial park located 45 miles southwest of Houston. The total investment is estimated at \$300 million with 2,000 new jobs to be created within two years. Utilized as farm land until now, the land is flat and conducive to easy railroad construction. Industrial lead tracks will be constructed in a built-to-order manner,

