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TEXAS DEPARTMENT OF TRANSPORTATION
FINANCIAL PUBLIC HEARING
IH-35E MANAGED LANE PROJECT
FROM IH-635 TO U.S. 380

TUESDAY, JANUARY 15, 2013

6:00 PM

DALLAS COUNTY HEALTH AND HUMAN SERVICES
2377 NORTH STEMMONS FREEWAY
ROOM 627
DALLAS, TEXAS

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BE IT REMEMBERED THAT on Tuesday, the 15th day of January, 2013, the above entitled came on for public hearing at the Dallas County Health and Human Services, 2377 North Stemmons Freeway, Room 627, City of Dallas, County of Dallas, State of Texas, and the following public hearing was had, to wit:

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A P P E A R A N C E S

PRESENTER:

Randy Redmond, P.E.

TxDOT STAFF:

Bill Hale, P.E., District Engineer

Donna Huerta, Lisa Walzl, Keith Sliger, John Hudspeth, Varuna Singh

Also present:

Peter Braster, City of Carrollton

Hamid Baha, Dallas County

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(January 15, 2013; 6:00 p.m.)

MR. REDMOND: It's now about 6 o'clock. I'd like to convene the public hearing concerning the disclosure of financial information regarding a design-build agreement for the IH-35E Managed Lane Project from IH-635 to U.S. 380.

Good evening and welcome to this public hearing. My name is Randy Redmond. I'm the Director of the D/FW Strategic Projects Office of the Texas Department of Transportation; better known as TxDOT. On behalf of the Department, I'd like to express our thanks to everybody who is attending the public hearing. If you did not sign in as you came in, please do so, so that we can record your attendance here.

As for the agenda today, we will outline the procedures for this hearing and provide an introduction to the project. We'll also provide financial information about the project.

A court reporter is available for anyone wishing to make oral comments after the presentation is completed. Written statements may be prepared and submitted tonight. They will also be accepted until 5:00 p.m. January 21st at the address located on the back of the written statement form. This form is located at the registration table. If you did not

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receive one as you came in, please feel free to get one after the hearing. You may also e-mail written comments to the TxDOT Project Web page.

Now, we'd like to explain the process for this project. The State and Federal Governments have various laws, regulations and guidelines to outline the processes whereby public awareness of project planning can be assured. As part of our public involvement process in the development of highway projects, we hold public meetings and hearings as a matter of public information for those people who are going to be affected by a project and for those who have a need to be aware.

This is a public hearing. We want to emphasize the word "hearing" by explaining the difference between a public meeting and a public hearing for a transportation project. Meetings are informal in nature, and there's a gathering of information or exchange of information with questions being raised and answered in dialogue in the course of the meeting. Hearings are held to receive formal statements from the public regarding the facets of the project that may be of concern to an individual or group. All of the oral or written statements received will be given careful consideration in the final development of this project.

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Before the Texas Department of Transportation may enter into a contract for the construction of this managed lane toll project, the Comprehensive Development Agreement, the Department is required to hold a public hearing concerning the disclosure of financial information published pursuant to Transportation Code Chapter 371, Subchapter D.

The purpose of this hearing is to disclose and provide an opportunity for public comment on the financial information for this project. A notice of this hearing has been published in various newspapers. A public hearing will provide a record of public participation, a written Summary and Analysis, including responses to comments, along with a verbatim copy of the public hearing transcript, will be posted and available for viewing on TxDOT's Web site and made available upon request.

Public involvement process related to advanced project development and environmental clearance is a separate process providing information different from what would be presented at the public hearing tonight. FHWA environmental clearance for this project has already been received.

The IH-35 Managed Lane Project extends from Interstate Highway 635 in Dallas County to U.S. 380 in

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Denton County. The project is dedicated to improving mobility through a regional supported managed lane system and partnership with corridor communities, roadway users and other interested parties.

This project is the first phase of a multiphase program to relieve traffic congestion along the corridor. The reason for the phase approach is funding constraints. The purpose of this project is to add the much-needed capacity while minimizing costs. Future projects will continue to expand the facility until the ultimate project, as approved in the environmental schematic, is constructed. The project includes an optional maintenance agreement with the developer for managed lanes that can extend up to 15 years.

As I mentioned before, the purpose of the project is to provide much needed additional capacity along the corridor. The managed lanes are a tool that will help manage traffic congestion and increase mobility; not just on the managed lanes but on the general purpose lanes as well. Portions of the project will modify existing access to and from the frontage roads in order to more efficiently move traffic around interchanges. Lastly, this project will establish a revenue stream which will be used to pay for future

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improvements along the corridor.

This slide shows the typical sections for the project. The project can generally be broken into three different sections. From north of Interstate Highway 635 to State Highway 121, two reversible managed lanes will be constructed along the center of the corridor. From State Highway 121 to Tuberville Road, just north of Lake Lewisville, the project will add the interim two reversible managed lanes and one additional general purpose lane in each direction. A new bridge will be constructed over Lake Lewisville to carry the southbound general purpose lanes, the managed lanes and the new frontage roads. The existing bridge will be repurposed to carry the northbound general purpose lanes, the new frontage road lanes. North of Tuberville Road, only one additional general purpose lane will be added in each direction.

This slide provides the ultimate typical sections for the project. As you can see, the ultimate project adds even more lanes and will therefore require new additional right-of-way to construct. The ultimate typical sections are a little more complex than the typical sections for Phase 1 of the project. Generally, there will be two managed lanes in each direction with three to five general purpose lanes. There is a short

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segment between U.S. 77 and IH-35W that will only have one managed lane in each direction. Also, the ultimate project will include a collector/distributor system around the PGBT and SH 121 interchanges. The collector/distributor system will reduce traffic weaving currently associated with these two interchanges allowing for a much more efficient and safe move in the traffic.

The original environmental work for the ultimate project broke the project up into three segments; north, middle and south. FHWA has issued a Finding Of No Significant Impact, or FONSI, for all three segments. Currently, the middle and north segments are undergoing an environmental re-evaluation which is expected to be complete this month. It was determined that a re-evaluation was not needed for the south segment.

Environmental impacts from the interim schematic would result in a reduction of impacts when compared to the ultimate schematic. These impacts are temporary and are generally due to a reduction of proposed travel lanes and right-of-way. Ultimately, all of the environmental impacts would occur as discussed in the Environmental Assessment. The ultimate schematic improvements would fulfill the original purpose and need

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of the project.

The proposed process for this project had began almost a year ago in January of 2012 when TxDOT issued a Request For Qualifications, or a RFQ, for the project. TxDOT received qualifications statements from five developer teams, and on April 26th, TxDOT short-listed four of the five teams to develop detailed proposals on the project.

TxDOT issued a Request For Proposals, or RFP, to these teams in July, and received proposals from all four in November of last year. The best-value proposer, AGL Constructors, with major equity members of Archer Western Contractors, Granite Construction and LANE Construction was announced last month by the Texas Transportation Commission, and as I mentioned, TxDOT is currently in negotiations with them. Their bid was $849 million; and also included a $287 million bid for additional scope that TxDOT requested if additional funding becomes available. TxDOT can elect to add some or all of this additional scope at its sole discretion.

This slide provides the names of all the developer team members. As you can see, there will be many companies involved in order to design and construct this project. All of the funding for the project will come from federal, state and local funding sources.

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TxDOT has not and will not assume any debt to acquire, design, construct, operate and maintain the project.

For the benefit of those who might not be clear, this slide summarizes the differences between the types of lanes which we are building in this project. There are three types; frontage roads, general purpose lanes and managed lanes.

Frontage roads are the non-tolled roads that run alongside the highway and allow a driver to enter and exit the highway and turn off onto other roads. They serve local trips and there is no demand management.

General purpose lanes or highway lanes, which are not tolled, they are used to provide access to major crossroads and serve subregional or corridor trips with no demand management.

Managed lanes or tolled lanes. These are proactively managed so that traffic flow is always at or near the target speed.

We would like to provide some general information regarding the managed lanes to help you understand their expected benefits and operational attributes. The managed lanes will include a set of lanes where operational strategies, including pricing, are proactively implemented and managed in response to

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traffic conditions. These lanes will be managed on the basis of time of day, vehicle type, occupancy and toll pricing. The managed lanes are designed to provide additional capacity, increased sufficiency, reduced congestion, travel time reliability and operational flexibility to respond to changing corridor needs.

The initial toll rates will be set by the Texas Transportation Commission in accordance with the Regional Managed Lane Policy established by the Regional Transportation Council of the North Central Texas Council of Governments. Even though, as I mentioned earlier, there is no debt to repay for the project, TxDOT will collect the tolls on the project. TxDOT will also be responsible for operating the tolls and the toll road.

The policies include but are not limited to the following: The toll rate will be established to maintain a minimum 50-mile-per-hour average managed lane speed. The toll rate will be set up to a maximum of .75 cents per mile during the fixed schedule phase; that will be within the first six months of operations.

After the first six months the toll rates will be based on traffic demand. If traffic demand is low such as during off-peak hours, a lower toll rate will be charged. If traffic demand is high such as

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during peak commute times, a higher toll rate will apply.

Non-HOV vehicles will pay the full rate, trucks will pay a higher rate, HOV vehicles and publicly-operated van pools will pay the full rate in off-peak periods. HOV vehicles and publicly-operated van pools will receive a 50-percent discount during the peak period. This discount will phase out after the air-quality attainment maintenance period. Please go to the Web site provided for complete details on the RTC Managed Lane Policy.

Under anticipated operating conditions, the estimated cost and tolls to travel per mile in today's dollars, unadjusted for future inflation, are expected to range from .09 cents to .63 cents in the opening year. In the final year of the optional maintenance period, the range is .17 cents to .77 cents. These ranges reflect the need to manage the speed on managed lanes at all times during the day.

There are no limitations on the construction of competing facilities, and there are no penalties associated with their construction. Anyone including TxDOT can build any facility near the I-35E project.

Pursuant to the contract that TxDOT is

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negotiating with the AGL Constructors' team, TxDOT has a right to terminate the contract at any time without cause. However, if we decide to do that, TxDOT must pay AGL Constructors for the design and construction work already performed under the contract and the cost of terminating subcontracts.

So what are our next steps? We must negotiate the final contract with the developer. The contract documents will then be sent to the Federal Highway Administration. They will also be provided to the Attorney General and the Legislative Budget Board for review.

If you want more information about the project, the contract documents, or the technical drawings, please visit our Web site at www.txdot.gov, and use the keyword I-35E, and it'll take you to all the information we have available.

We would like to acknowledge elected officials, which we have none, but I would like to acknowledge our Dallas District Engineer joining us, Mr. Bill Hale. So thank you, Bill, for coming.

The contact information developed -- or contract information developed concerning this project is available upon request for public review and copying at the TxDOT District Office and on the TxDOT Web site.

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We have also brought a copy of the contracts with us tonight for your viewing after the hearing.

As a reminder, if you did not sign in when you came in, please do so. This is for our records in determining attendance at the hearing. TxDOT staff will be available to assist you with the process. Please submit any written comments to the front desk, a court reporter will also be available to document oral comments. Each oral statement provided tonight and each written statement received on or before January 21st, 2013, will be responded to in writing in the Summary and Analysis. The Summary and Analysis will be posted on TxDOT's Web site and made available upon request when completed.

On behalf of TxDOT, again, let me thank you for coming and participating in this public hearing. It is now about 6:25 p.m., and the formal portion of the public hearing for the I-35E project has concluded. If you want to stay and look at the contract, we'll have people around to assist you. The court reporter is also available to take your individual oral comments.

This hearing is adjourned. Thank you.

(Hearing concluded at 6:26 p.m.)

(No walk-up comments taken)

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STATE OF TEXAS)
COUNTY OF DALLAS)

I, Carmel Martinez, Certified Shorthand Reporter in and for the State of Texas, do hereby certify that the facts as stated in the caption hereto are true and that the foregoing 14 pages are a full, true, and correct and complete transcript of the financial public hearing had on the date and at the place set forth.

GIVEN UNDER MY HAND AND SEAL of office on this the 17th day of January, 2013.

C Martinez

Carmel Martinez
CSR No. 8128 Expiration: 12/31/14
Steven H. Gentry & Associates, Inc.
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