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TEXAS DEPARTMENT OF TRANSPORTATION
7 FINANCIAL PUBLIC HEARING
IH-35E MANAGED LANE PROJECT
8 FROM IH-635 TO U.S. 380
9 THURSDAY, JANUARY 17, 2013
10 6:00 P.M.
11 DENTON CIVIC CENTER
231 EAST McKINNEY STREET
12 DENTON, TEXAS
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18 BE IT REMEMBERED THAT on Thursday, the 17th day
19 of January, 2013, the above entitled came on for public
20 hearing at the Denton Civic Center, 231 East McKinney
21 Street, City of Denton, County of Denton, State of Texas,
22 and the following public hearing was had, to wit:
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24
25

COPY

A P P E A R A N C E S

PRESENTER:

Bill Hale, P.E., District Engineer

TxDOT STAFF:

Donna Huerta
Lisa Walzl
Keith Sliger
John Hudspeth
Varuna Singh

ALSO PRESENT:

Mary Horn, Mayor
Bobbie Mitchell, Commissioner

(January 17, 2013, 6:18 p.m.)

MR. HALE: Okay. Everybody, we'll get this kicked off. It's 6:18. I want to get started with this public hearing.

I'm Bill Hale with the Texas Department of Transportation. I'm -- it's now 6:18 -- 6:19. I'd like to convene this public hearing concerning disclosure of the financial information regarding the Design-Build Agreement for the IH 35 Managed Lanes Project from I635 to US 380.

Good evening. And welcome to this public hearing. I'm the district engineer of the Dallas District, Texas Transportation Department, commonly known as TxDOT. On behalf of the department, I'd like to express our thanks to everyone who is attending this 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 procedures for the hearing and provide an introduction to the project. We will also provide financial information for the project.

A court reporter is available for anyone wishing to make oral comments after the presentation is completed. Written statements will be prepared and submitted tonight. They will also be accepted until

1 5:00 p.m., January the 21st at the address located on the
2 back of the written statement form that you have back at
3 the back. This form is located at the registration
4 table. If you did not receive one as you came in, please
5 feel free to get one after the hearing. You may also
6 e-mail written comments through the TxDOT project Web
7 page.
8 Now we would -- I'd like to explain the
9 process that we go through on the project. The State and
10 federal governments have various laws, regulations and
11 guidelines that outline the processes whereby public
12 awareness of project planning can be assured. As part of
13 our public-involved process developing highway projects,
14 we hold public meetings and hearings as a matter of
15 public information for those people who are going to be
16 affected by a project and for those having need to be
17 aware.
18 This is a public hearing. We want to
19 emphasize the word "hearing" by explaining the difference
20 between a public meeting and a public hearing for
21 transportation projects. Meetings are informal in nature
22 and there's a gathering of information or an exchange of
23 information with questions being raised and answered in
24 dialogue during the course of the meetings. Hearings are
25 held to receive formal statements from the public

1 regarding facets of the project that may be of concern to
2 an individual or group. All of the oral and written
3 statements received will be given careful consideration
4 in the final developments of the project.
5 Before the Texas Department of
6 Transportation may enter into a contract for construction
7 of this managed lane toll project through a comprehensive
8 development agreement, the department is required to hold
9 a public hearing concerning disclosure of financial
10 information published pursuant to Transportation Code,
11 Chapter 371, Subchapter D.
12 The purpose of this hearing is to disclose
13 and provide an opportunity for public comment on the
14 financial information for the project. A notice of this
15 hearing has been published in various newspapers.
16 The public hearing will provide a record of
17 public participation, a written summary and analysis,
18 including written responses and comments along with a
19 verbatim copy of the public hearing transcript will be
20 posted and available for viewing on TxDOT's Web site and
21 available upon request.
22 The public involvement process related to
23 advanced project development and environmental clearance
24 is a separate process providing information different
25 from that -- what will be presented at the public hearing

1 tonight. FHWA environmental clearance for this project
2 has already been received.
3 The IH 35 Managed Lane Project extends from
4 IH 635 in Dallas County to US 380 in Denton County. The
5 project is dedicated to improving mobility through a
6 regionally-supported managed lane system in participation
7 and partnership with the corridor communities, roadway
8 users and other interested parties. This project is the
9 first phase of a multi-phase program to relieve traffic
10 congestion in the corridor.
11 The reason for the phased approach is
12 funding constraints. The purpose for this project is to
13 add much needed capacity while minimizing costs. Future
14 projects will continue to expand the facility until the
15 ultimate project as provided in the approved
16 environmental schematic is constructed. The project
17 includes an optional maintenance agreement with the
18 developer for the managed lanes that extend for up to
19 15 years.
20 As I mentioned before, the purpose of the
21 project is to provide much needed additional capacity on
22 the corridor. The managed lanes are a tool that will
23 help manage traffic congestion and increase mobility, not
24 just in the managed lanes but in the general purpose
25 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 improvements along the corridor.

This slide shows the typical sections for the project. The project can be generally broken into three different sections. From north of IH 635 to SH 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 and new frontage road lanes. North of Tuberville Road only one additional general purpose lane in each direction will be constructed. That's the consideration.

Okay. The ultimate typical section -- 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 additional right

1 of way to construct. The ultimate typical sections are a
2 little more complex than typical sections of the phase 1
3 project. Generally, there will be two lanes -- managed
4 lanes in each direction with three to five general
5 purpose lanes. There is a short segment -- there's a
6 short segment between US 77 and IH 35 that will only have
7 one managed lane in each direction. Also, the ultimate
8 project will include a collector-distributor system
9 around the President George Bush Turnpike and the State
10 Highway 121 interchanges. The collector-distributor
11 system will reduce traffic weaving currently associated
12 with these two interchanges allowing for much more
13 efficient and safe movement of traffic.
14 The original environmental work for the
15 ultimate project broke the project into three segments,
16 north, south and middle. The Federal Highway
17 Administration has issued a finding of no significant
18 impact, or FONSI, for all three segments. Currently, the
19 middle and the north segments are undergoing an
20 environmental revaluation which is expected to be
21 completed this month. It has determined that a
22 revaluation was not needed for the south segment.
23 Environmental impacts from the interim
24 schematic would result in a reduction of impacts when
25 compared to the ultimate schematic. These impacts are

1 temporary and are generally due to the reduction of
2 proposed travel lanes and right of way. Ultimately, all
3 of the environmental impacts would occur as disclosed in
4 the approved Environmental Assessment.
5 The ultimate schematic improvements will
6 fulfill the original purpose and need of the project.
7 The proposed process for the project began
8 almost a year ago in January of 2012 when TxDOT issued a
9 request for qualifications, call an RFQ, for the project.
10 TxDOT received a qualification statement from five
11 developer teams and on April 26, 2012, TxDOT short listed
12 four of the five teams to develop detailed proposals of
13 the project. TxDOT issued the request for proposals, or
14 the request -- or the RFP, which it's commonly called, to
15 have these teams in July and receive proposals from all
16 four in November of last year.
17 The best value proposer, AGL Constructors,
18 with major equity members of Archer Western Contractors,
19 Granite Construction and Lane Construction was announced
20 last month by the Texas Transportation Commission, and as
21 I mentioned, TxDOT is currently in negotiations with
22 them. Their bid was $849 million and also included a
23 $287 million bid for additional scope that TxDOT
24 requested if additional funding becomes available. TxDOT
25 can elect to add some or all of these additional scope at

its sole discretion.

This slide provides the names of all developer team members. As you can see, there are many companies involved in order to design and construct this project.

All the funding for the project will come from federal, state and local funding sources. TxDOT has not and will not assume any debt to acquire, design, construct, operate and maintain the project.

Types of lanes -- for the benefit of these who not might be clear, this slide summarizes the difference between the types of lanes 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 a highway and allow a drive to enter or exit the highway and turn off onto the other roads. Other -- they serve local trips and there is no demand management.

General purpose lanes are highway lanes that are not tolled. They are used to provide access to major cross roads and serve subregional or corridor trips for no demand management.

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

1 the target speed.
2 We would like to provide some general
3 information regarding managed lanes to help you
4 understand their expected benefits and operational
5 attributes.
6 The managed lanes will include a set of
7 lanes where operational strategies, including pricing,
8 are proactively implemented and managed in response to
9 traffic conditions. These lanes will be managed on the
10 basis of date, time of day, vehicle type, occupancy and
11 toll pricing. The managed lanes are designed to provide
12 additional capacity, increased efficiency, reduce
13 congestion, time travel reliability and operational
14 flexibility to respond to general corridor needs.
15 The initial toll rates will be set by the
16 Texas Transportation Commission in accordance with the
17 regional managed lanes policy established by the Regional
18 Transportation Council of the North Central Texas Council
19 of Governments.
20 Even though, as I mentioned earlier, there
21 is no debt to repay for the project, TxDOT will collect
22 tolls on the project. TxDOT will also be responsible for
23 operating the tolls on the toll road.
24 Regional Transportation Council Tolling
25 Policy -- the policies include but are not limited to the

following: The toll rate will be established to maintain a minimum 50 mph average managed lane speed. The toll rate will be set up to a maximum of $0.75 per mile during the fixed-schedule phase that will be in the first six months of operation. 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 during peak commuter times, a higher toll rate will apply.

Non-high occupancy vehicle vehicles will pay the full rate. Trucks will pay a higher rate. High occupancy vehicles and publicly-operated vanpools will pay the full rate in the off-peak period.

High occupancy vehicles and publicly-operated vanpools will receive 50 percent discount during peak hour. This discount will phase out after the Air Quality Attainment Period. Please go to the Web site provided for complete details on the Region Transportation Council's managed lane policy.

Under the anticipated operating conditions the estimated cost in tolls to travel per mile in today's dollars (unadjusted for future inflation) are expected to range from $0.09 to $0.63 in the opening year. In the final year of the optional maintenance period, the range

is $0.17 to $0.77. These ranges reflect the need to manage the speed on the managed lanes at all times during the day.

There are no limitations on the construction of competing facilities and there's no penalties associated with construction. Anyone, including TxDOT, can build any facility near the IH 35 project.

Pursuant to the contract that TxDOT is negotiating with the AGL Constructors' team, TxDOT has the 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 cost of terminating the subcontracts.

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

If you want more information about the project, the contract documents or the technical drawings, you can visit our Web site at www.txdot.gov and use the key word "I 35E" and it will take you to all the information we have available.

We would like to acknowledge the elected

1 officials and the county personnel that are with us
2 today. Will you please stand when I call your name.
3 Bobbie Mitchell, commissioner; Judge Mary Horn.
4 Is there anybody else that I missed? I want
5 to thank you-all for attending tonight. Okay. Thank you
6 for your cooperation.
7 The contract information developed
8 concerning this project is available upon request for
9 public review and copying at the TxDOT District Office
10 and on the TxDOT Web site. We have also brought a copy
11 of the contracts with us tonight for your review at the
12 hearing located at the table back here.
13 As a reminder, if you did not sign in,
14 please do so. This is for our records and determining
15 attendance at this hearing. TxDOT's staff will be
16 available to assist you with the process. Please submit
17 comments to the front desk. The court reporter will also
18 be available to document oral comments.
19 Each oral statement provided tonight and
20 each written statement received on or before
21 January 21st, 2013, will be responded to in writing in
22 the summary and analysis. The summary and analysis will
23 be posted on TxDOT's Web site and will be made available
24 upon request when completed.
25 On behalf of TxDOT I want to thank all of

you for coming and participating in this public hearing. It is now 6:36 p.m. and the formal portion of this public hearing on the IH 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 individual oral comments.

This hearing is adjourned.

(Hearing concluded at 6:36 p.m.)

PUBLIC COMMENTS

SANDY BUTLER: I'm requesting that you eliminate the onramp that is in the -- if you are on northbound I35, it's the onramp between Exit 459 and Exit 460, because 90 percent of that traffic exits, moves up in the line and comes right back on. So it slows up all of the traffic on the freeway. Because they -- you know, they have to come right back in. That would be most helpful.

STATE OF TEXAS)
COUNTY OF DALLAS)

I, Samantha M. Blair, 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 15 pages are a full, true, correct and complete transcript of the proceedings had on the date and at the place set forth.

GIVEN UNDER MY HAND AND SEAL of office on this The 21st day of January, 2013.

Samantha Blair

Samantha M. Blair, Texas CSR No. 8028
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