



IH-35 Laredo Bundle FASTLANE Grant Application

i. COVER PAGE

Project Name: IH-35 – Laredo Bundle	
Previously Incurred Project Cost	\$0
Future Eligible Project Cost	\$58,600,000
Total Project Cost	\$58,600,000
NSFHP Request	\$35,160,000
Total Federal Funding (including NSFHP)	\$46,880,000
Are matching funds restricted to a specific project component? If so, which one?	No
Is the project or a portion of the project currently located on National Highway Freight Network?	Yes
Is the project or a portion of the project located on the National Highway System	Yes
<ul style="list-style-type: none"> Does the project add capacity to the Interstate system? Is the project in a national scenic area? 	No
Do the project components include a railway-highway grade crossing or grade separation project?	Yes
Do the project components include an intermodal or freight rail project, or freight project within the boundaries of a public or private freight rail, water (including ports), or intermodal facility?	No
If answered yes to either of the two component questions above, how much of requested NSFHP funds will be spent on each of these projects components?	\$0.0
State(s) in which project is located.	Texas
Small or large project	Small
Also submitting an application to TIGER for this project?	No
Urbanized Area in which project is located, if applicable.	Laredo
Population of Urbanized Area.	636,520
Is the project currently programmed in the: (please specify in which plans the project is currently programmed)	
<ul style="list-style-type: none"> TIP STIP MPO Long Range Transportation Plan State Long Range Transportation Plan State Freight Plan 	No No Yes Yes No

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ii. PROJECT NARRATIVE

a. PROJECT DESCRIPTION

1. ELIGIBILITY

The Texas Department of Transportation (TxDOT) Laredo Bundle project would add capacity to the National Highway System (NHS) through the implementation of two projects, including: (1) a direct connector connecting westbound US 59 to IH-35 southbound and (2) a US 59 overpass over IH-35. Both projects facilitate movement of freight and passenger traffic within the Laredo area, across the international border with Mexico, and along IH-35 – a major national trade corridor. These two projects have been identified as un-built NHS routes. The approximate total project cost for the two components of the Laredo Bundle is estimated to be \$58.6 million, with federal funding sources (including this grant request) estimated for 60 percent of the future eligible project costs. This Nationally Significant Freight and Highway Projects (NSFHP) grant request is for \$35.16 million for the two projects. The requested NSFHP funds will be used solely for the projects' construction costs. The US 59 overpass over IH-35 is scheduled for the construction bid process to begin in August 2016.

2. DETAILED DESCRIPTION

The Laredo IH-35 Bundle includes two proposed projects located in Webb County, Texas, including:

1. Construction of a direct connector from westbound US 59 to southbound IH-35: The proposed direct connector will span approximately 2,300 feet and allow for the free movement of westbound US 59 traffic to travel to southbound IH-35 traffic without navigating the existing US 59 westbound frontage road traffic signals.
2. Construction of a US 59 (future IH-69) overpass over IH-35: This project would connect US 59 0.33 miles west of IH-35 and extend to 0.16 miles west of McPherson Road, connecting to McPherson Road and on-going International Boulevard interchange projects.

As shown on Figure 1, the projects are located near two critical international crossings or Ports of Entry (POE), including the World Trade Bridge (US 59), approximately 3 miles to the west, and the Juarez-Lincoln International Bridge, approximately 8 miles to the south. Due to the projects' location within close proximity to the U.S./Mexico border, the projects would facilitate the safe, efficient, and reliable movement of freight and passengers along the southern section of IH-35 and a portion of US 59 (future IH 69) in the Laredo area, which ranked in the 2014 top five POEs by the Bureau of Transportation Statistics (BTS) for trucks, train, transit, passenger vehicles, and pedestrians.

US 59, from SH 359 to the entrance of the World Trade International Bridge IV, has been identified as part of the future IH-69 corridor by the Texas Transportation Commission, TxDOT and FHWA. This official I-69W designation formally recognized that upgrading US 59 has local, regional, state and national implications. Because this project corridor is part of the Future I-69W system, federal law indicates that this roadway must be upgraded to interstate standards no later than 2035.

Figure 1: Project Location Status Map



The projects provide the Laredo region and the U.S. with the ability to increase freight traffic to and from the region while facilitating a safe, efficient, and reliable movement of freight and passengers to the three POEs located in Laredo. The proposed US 59 (future IH-69) overpass will improve connectivity between the multiple commercial and industrial areas of Laredo that are connected via IH-35, US 59/IH-69, and US 83 and the U.S./Mexico border through the World Trade Bridge. The proposed US 59 director connector will facilitate a safer movement of traffic through the currently congested IH-35 and US 59 interchange. The roadways and commercial/industrial areas served by these project act as the backbone of commerce for the region and the nation, particularly as it relates to North American Free Trade Agreement (NAFTA) traffic. The economic benefits from increasing goods and people along the region and the international border would further increase the global economic competitiveness of the U.S. The two projects are further described below.

Direct Connector from Westbound US 59 to Southbound IH-35

The proposed direct connector ramp will span approximately 2,300 feet and allow for the free movement of westbound US 59 traffic to southbound IH-35 traffic without navigating the existing US 59 westbound frontage road traffic signals.

Project Background

The major interchange at IH-35 (known locally as the “Milo” Interchange) was environmentally cleared by the Federal Highway Administration (FHWA) in the 1990s, with the purpose of providing another arterial route around the eastern urbanized areas of Laredo to connect the World Trade International Bridge IV to IH-35, US 59, FM 1472, SH 359, and US 83. This direct connector was part of a plan to construct a fully directional interchange between IH-35 and Loop 20 (eight direct connectors of which three have been built. In 2005, the TxDOT Laredo District, TxDOT Environmental Affairs Division and FHWA concluded that implementing any additional phases of the Milo interchange project would be environmentally cleared as stand-alone Categorical Exclusions (CE) instead of completing a re-evaluation of the original Milo Interchange Environmental Assessment conducted in the 1990’s.

Proposed Improvements

The proposed direct connector will require a bridge to span over the existing IH-35 mainlanes that will begin approximately 500 feet east of Grand Central Boulevard and terminate approximately 500 feet north of San Mateo Drive. The proposed direct connector ramp will contain one 14-foot travel lane with a 4-foot inside shoulder and an 8-foot outside shoulder. The proposed direct connector will be constructed within existing right-of-way (ROW).

US 59 (Future IH-69) Overpass over IH-35

Within the city of Laredo, US 59 serves as the main travel corridor around northeastern Laredo and is known locally as Bob Bullock Loop or Loop 20. This approximately 1.25-mile long project would extend the US 59 mainlanes over the IH-35 mainlanes and the Union Pacific Railroad (UPRR). It would be an additional phase of the on-going US 59/IH-35 Interchange, or Milo Interchange, project which continues to be constructed in phases since the late 1990s.

Project Background

The upgrade of US 59 (previously designated as Loop 20 but now officially designated as US 59 and as a portion of the Future IH-69 corridor) is needed due to the increasing levels of truck congestion along this portion of US 59. Because the project corridor is part of the Future IH-69 system (National High Priority Corridor), as previously described, federal law mandates that this roadway be upgraded to interstate standards no later than 2035. When completed, this project would provide for an upgraded, controlled access facility that can move traffic through this portion of Laredo with no interruptions, unlike the current situation where all east-west traffic on US 59 has to travel through signalized intersections at the IH-35 frontage roads.

Proposed Improvements

The proposed US 59 mainlanes would consist of three 12-foot travel lanes in each direction with 4-foot inside and 10-foot outside shoulders and appropriately placed on and off ramps. The mainlanes would be constructed between the existing US 59 frontage roads with all work completed within the existing, approximately 300-foot ROW. This project would fully integrate with the existing IH-69W mainlanes west of IH-35 as well as the McPherson Road interchange that opened to traffic in 2014. It will also integrate with the International Boulevard interchange project that is currently under contract with construction scheduled to start in the near future. Upon completion of these projects, through traffic will have uninterrupted service from International Boulevard to the World Trade International Bridge IV.

3. FUNDS & USAGE

The funding package for the two Laredo projects is a mix of federal and state dollars in the form of Corridor Border Infrastructure (CBI) program funds and FASTLANE grant dollars, as well as state funds through Proposition 7.

4. NATIONAL & REGIONAL SIGNIFICANCE

Laredo is a strategic international trade gateway and is the #1 inland port in the US, and the 3rd largest U.S. Customs District. In 2015, Laredo facilitated over \$284.33 billion in total trade, with \$162.69 billion in imports, and \$121.64 b in exports. Total trade with Mexico increased 43 percent (or \$22,912,298) between 2009 and 2014, going from \$29,936,735,721 in 2009 to \$52,849,034,441 in 2014. The World Trade International Bridge IV, is a major economic engine in Texas, the U.S. and North America. The project provides the Laredo region and the U.S. with the ability to facilitate trade and enhance the nation's economic competitiveness. The roadways and commercial and industrial areas serve as the backbone of commerce for the region and the nation, particularly as it relates to NAFTA traffic. Trade with Mexico is continuing to increase by six percent each year and the World Trade Bridge IV continues to be the preferred crossing point despite increasing congestion at this POE. Laredo has over 12,000 daily commercial truck crossings with that number projected to double by 2040. The World Trade Bridge and Colombia Solidarity Bridge saw an increase of 29 percent (or 566,527) in truck crossings between the years 2009 to 2014, going from 1,382,319 in 2009 to 1,948,846 in 2014. Northbound total truck crossings for 2009 totaled 2,843,387 compared to 3,736,865 in 2014. In addition, over 35% of U.S./Mexico trade crosses in Laredo. The economic benefits from additional trade and the movement of people in the region and the international border would further increase the global economic competitiveness of the U.S. Any difficulties in trade with Mexico have direct and indirect impacts on jobs in other parts of Texas, the U.S. and North America; the repercussions are not limited to local border cities.

5. USERS

The proposed US 59 (future IH-69) overpass will improve connectivity between the multiple commercial and industrial areas of Laredo that are connected via IH-35, US 59, and US 83 and the U.S./Mexico border through the World Trade Bridge IV. The proposed US 59 direct connector will facilitate a safer movement of truck traffic through the currently congested IH-35 and US 59

interchange. The proximity of these projects to the Texas-Mexico border and the increased trade resulting from the implementation of NAFTA has added a large percentage of trucks to the traffic mix. The major trade traffic hubs/destination points along with the Mexican customs broker locations continue to be located close to the World Trade Bridge IV, which is the preferred POE by exporters and importers. A large community of customs brokers and affiliated businesses (e.g. drayage trucking business, etc.) are located close to the project area to accommodate the level of trade passing through Laredo. Of the approximately 3.1 million Laredo District international commercial truck crossings in 2014, approximately 2.7 million of the trucks, or 86 percent, occurred at the World Trade Bridge IV.¹

6. TRANSPORTATION CHALLENGES AND SOLUTIONS

Transportation improvements are needed in the study area to provide system linkage for drivers, local ports and industries; improve mobility; enhance safety; and provide infrastructure to support projected population growth. Since these corridors greatly impact and are major contributors to the economy, it is important they provide adequate circulation and connectivity. Congestion and other delays associated with freight movement in these corridors have both direct and indirect impacts on jobs in Texas, in the U.S. and in North America. Over 6 million U.S. jobs depend on trade with Mexico. Considerable capacity improvements are needed to reduce the current freight congestion and to facilitate efficient and safe moved of trade in this critical international trade gateway.

7. RELEVANT DATA: EXISTING AND FUTURE CONDITIONS

Infrastructure Condition

IH-35 (also referred to as the NAFTA Superhighway) begins in Laredo and stretches as far north as the Canadian border in Duluth, Minnesota. Current average daily traffic (ADT) along IH-35 ranges between 20,000 vehicles per day (vpd) in the northern portion of the Laredo Metropolitan Planning Organization (MPO) planning area to 116,000 vpd just south of Mann Road. Specifically, 37,000 vehicles per day cross at the Laredo World Trade International Bridge to head on to I-69W (US 59), with 25 percent, or 7,400, of those vehicles being commercial trucks. Speed limits range between 30 miles per hour (mph) approaching the international border to 70 mph in rural areas. IH-35 primarily consists of four to six lanes of roadway, but changes into two one-way streets consisting of a total of ten lanes as it approaches the international border. Trade with Mexico is continuing to grow at approximately six percent each year and the World Trade Bridge IV continues to function as the preferred POE despite congestion issues. The World Trade Bridge IV is nearing capacity and the roadways leading to this crossing are perceived as over-capacity.

Population Growth

Webb County's population has grown from just over 133,000 in 1990 to approximately 277,000 in 2013. Based upon the most recently developed estimates, the population is expected to grow by more than 50

¹ International Trade as it relates to the Roadway Infrastructure at Laredo District POEs, TxDOT – Laredo District

percent by the year 2040 with an estimated population of approximately 419,000. As a “gateway” to the U.S. and a dominant inland entry port along the U.S./Mexican border, smart investments in transportation infrastructure are important in meeting today’s needs and the future demands of the region.² The most densely populated areas of Laredo are the older residential areas east of IH-35 and in the southeastern part of the city. Table 1 compares Webb County’s population growth with that of the State of Texas and the country as a whole based on recently compiled population data from the US Census, the Texas State Data Center and the Texas Transportation Institute. Table 2 shows future population projections for Webb County through the year 2040.

Table 1: Population, Webb County, Texas and United States

	2000	2010	2013	Annual Growth Rate (2000-2010)	Annual Growth Rate (2010-2013)
Webb County	193,117	250,304	276,656	2.63%	3.39%
State of Texas	20,851,820	25,145,561	26,448,193	1.89%	1.70%
United States	281,421,906	308,745,538	316,128,839	0.93%	0.79%

Source: U.S. Census Bureau, Texas State Data Center, and Texas Transportation Institute

Table 2: Population Projections for Webb County

<i>Population</i>			
2010	2020	2030	2040
<i>Population</i>	<i>Population</i>	<i>Population</i>	<i>Population</i>
242,258	290,189	343,746	400,585
263,727	344,135	437,726	545,292
286,370	402,259	536,379	687,584
265,567	340,686	413,844	481,830
257,590	318,283	372,899	418,644

Source: Texas State Data Center

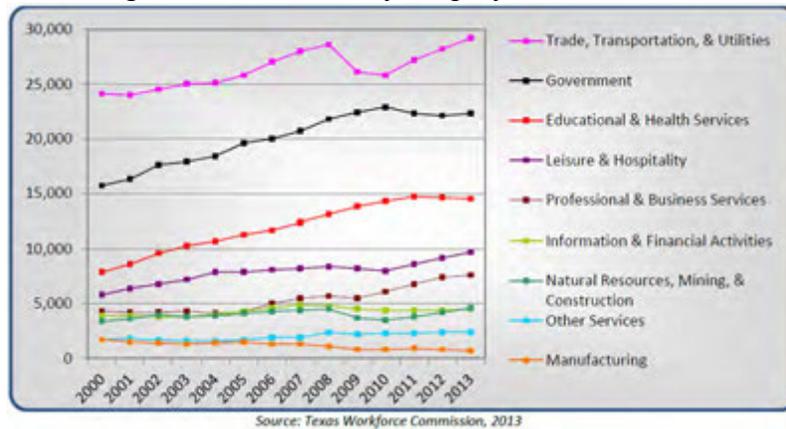
Employment Growth

As previously discussed the project facilitates freight movement for the Laredo, Texas region and the U.S. and is located in the vicinity of two major international border crossings. The economic benefits from increasing throughput of goods and people in and out of the region and international border would further increase the region and the country’s competitiveness. As shown in Figure 2, employment in the Trade, Transportation and Utilities sector has experienced the most growth within Webb County. Employment in the Laredo region is primarily located within the urban core and along major arterial facilities. In addition, there is high concentration of employment within the area’s industrial parks.³

² Laredo Metropolitan Transportation Plan 2015-2040, Laredo Metropolitan Planning Organization

³ Laredo Metropolitan Transportation Plan 2015-2040, Laredo Metropolitan Planning Organization

Figure 2: Webb County Employment, 2000 to 2013



Employment is expected to grow from the current about 106,000 jobs to 178,000 jobs in 2040. The Laredo MPO region has been experiencing significant growth in the past decade and is projected to grow by more than 50 percent in both population and employment by the year 2040.

Congestion

According to population and employment growth projections calculated by the Laredo MPO for the year 2040, the Laredo MPO region is expected to grow by more than 50 percent. Increased roadway capacity demand resulting from this growth will necessitate a substantial investment in the transportation network other than that currently committed in the Transportation Improvement Program (TIP). The number of travel lanes, the type of traffic control at intersections, the number of access points, and speed limits all affect roadway capacity and congestion. If this projected growth is not addressed, levels of congestion along these major corridors will reach unsustainable traffic volumes, further delaying the movement of goods and people in and to this national trade gateway. Exhibits provided by the Laredo MPO are included as an Attachment and depict current existing and future levels of service (LOS) for the Laredo region, respectively.

Freight Volumes

According to the border crossing and entry data maintained by the BTS, approximately 35 percent of truck volume coming from Mexico to the U.S. used Nuevo Laredo as the POE in 2012. Moreover, according to the Laredo Development Foundation, the Port of Laredo is the top inland POE along the U.S./Mexico border crossing which facilitates over \$180 billion in imports and exports. With two of the country’s major international POEs in close proximity to the proposed projects, the efficient movement of freight plays an important role in near- and long-term planning for the region. Table 3 shows the locations with the highest truck ADT for year 2012 and the associated truck volumes. The 2014 international crossings in the Laredo District in 2014 are summarized in Table 4.

Table 3: High Truck Volume Locations

Roadway	Location	2012
IH 35	Between Del Mar and International Blvd	14,205
IH 35	Between Hidalgo St and US 59	10,324
IH 35	Between Mines Rd and Loop 20	9,570
IH 35	6.5 miles north of Loop 20	5,579
US 83	Between Loma del Sur Blvd and Zacatecas St	5,166
IH 35	9.7 miles north of Loop 20	4,991
IH 35	Between W Hillside Rd and W del Mar Blvd	4,798
US 59	Between IH 35 and N Meadow Ave	4,740
US 83	Between Magana Hein Rd and Loma del Sur Blvd	4,680
IH 35	Between US 59 and Mann Rd	4,649

Source: TxDOT, Transportation Planning and Programming Division

Table 4: Summary of the 2014 International Truck Crossings in the Laredo District

City/International Bridge Crossing	Trucks/Year
All Laredo Crossings	3,095,595
World Trade Bridge IV	2,665,307 (86.1% of the Laredo Crossings)
Colombia-Solidarity Bridge III	429,988 (13.9% of the Laredo Crossings)
Eagle Pass Camino Real Bridge II	233,374
Del Rio/Ciudad Acuna Bridge	69,048
Total 2014 Truck Crossings in the Laredo District	3,398,017

Source: Texas Center for Border Economic and Enterprise Development - TAMIU

A summary of the traffic levels and percent trucks on state roadways leading to the Laredo District commercial crossings are listed in Table 5 on the following page. As shown, the World Trade International Bridge IV entry from US 59 is currently operating at LOS C/D during the morning peak period, indicating this crossing is beginning to operate at an unacceptable level of service.

Safety

The proposed projects will address safety concerns caused by an increase in traffic and an increase in crash rates in the region. Some of the most significant growth in daily traffic volumes between the years 2002 and 2012 occurred along US 59 and IH-35, which highlights the growing importance of the roadway and also the increasing population and development pressure in this part of the region.⁴

⁴ Laredo Metropolitan Transportation Plan 2015-2040, Laredo Metropolitan Planning Organization

Table 5: Summary of Traffic Data for Roadways Serving Laredo District

Roadways Servicing the International Bridges	Vehicles/Day (AADT)	Percent Commercial Trucks (At Peak Travel Times)	Level of Service (LOS)*
Laredo – World Trade International Bridge IV			
FM 1472	35,030 (North of Loop) 48,274 (South of Loop)	60%	E/F
I-69W (a.k.a. US 59/Loop 20)	37,000	25%	C/D
Laredo – Colombia-Solidarity International Bridge III			
FM 1472	5,695	10%	A-C
SH 255	6,654	62%	A-C
Toll/SH 255 (East of FM 1472)	1,315	21%	A-C
Eagle Pass – Camino Real International Bridge II			
US 57	17,270	7%	Data Not Available
FM 1021	12,540	2%	Data Not Available
SL 480	2,000	Data Not Available	Data Not Available
Del Rio – Del Rio/Ciudad Acuna International Bridge			
Spur 239/US 277	8,360	30%	Data Not Available

Note: The figures contained here are a compilation from various sources (i.e. TxDOT Traffic Maps, traffic projections for projects in the vicinity of the border crossings, traffic studies, etc.)

LOS = A measure of traffic congestion (A=Uncongested / F=Highly Congested)

Table 6: High-Traffic Volume Growth Locations

Roadway	Location	2002	2012	Absolute Growth	Percent Growth
Loop 20 (Bob Bullock Loop)	Between IH 35 and McPherson Ave	15,500	37,000	21,500	139%
Loop 20 (Bob Bullock Loop)	Between Del Mar Blvd and US 59	19,900	37,000	17,100	86%
IH 35	Between FM 1472 and Loop 20	48,000	65,000	17,000	35%
IH 35	Between Calton Rd and Mann Rd	104,000	116,000	12,000	12%
Loop 20 (Bob Bullock Loop)	Between McPherson Ave and Del Mar Blvd	8,700	20,000	11,300	130%
US 83	Between Loop 20 and SH 359 (Willow St)	32,000	41,000	9,000	28%
US 83	Between Masterson St and Malinche Ave	29,000	37,000	8,000	28%
SH 359	0.54 miles east of Loop 20	15,600	23,000	7,400	47%
SH 400 (Clark Blvd)	Between N Arkansas Ave and Loop 20	9,600	16,300	6,700	70%
Loop 20 (Bob Bullock Loop)	Between Spur 400 and SH 359	27,000	33,000	6,000	22%

Source: TxDOT, Transportation Planning and Programming Division

The average number of incidents (crashes) for the project vicinity based on 2010 - 2012 data entered into the TxDOT Crash Records Information System (CRIS) was 48.5 crashes/year. According to CRIS, approximately 19,132 crashes occurred within the Laredo area between 2010 and 2012. Among these,

60 were fatal, 229 involved pedestrians, and 96 involved bicyclists.⁵ In Webb County, the total number of commercial motor vehicle-related crashes reported in the year 2014 was 601. Table 7 identifies the top intersections in Laredo with crash occurrences, including fatal crash locations, between the years 2010 and 2012.

Table 7: Top 20 Crash Locations in Laredo, 2010-2012

<i>Intersection</i>	<i>Number of Crashes</i>
1. McPherson Rd and Del Mar Blvd	268
2. Loop 20 (Bob Bullock Loop) and SH 359	222
3. IH 35 and US 83 (Matamoros St)	212
4. IH 35 and Calton Rd	165
5. IH 35 and Loop 20 (Bob Bullock Loop)	159
6. FM 1472 and Loop 20 (Bob Bullock)	129
7. US 83 (Zapata) and Loop 20 (Bob Bullock)	126
8. IH 35 and Mann Rd	114
9. Loop 20 (Bob Bullock Loop) and Spur 400 (Clark Blvd)	109
10. IH 35 and Victoria St	108
11. IH 35 and US 59 (Lafayette St)	105
12. McPherson Rd and Calton Rd	103
13. IH 35 and US 83 (Houston St)	102
14. McPherson Rd and Jacaman Rd	97
15. McPherson Rd and Loop 20 (Bob Bullock Loop)	95
16. McPherson Rd and Shiloh Dr	93
17. Loop 20 (Bob Bullock Loop) and US 59 (Saunders St)	90
18. US 59 and N Bartlett Ave	75
19. McPherson Rd and Hillside Rd	70
20. Mines Rd and Bristol Rd	68

Source: TxDOT, Traffic Operations Division

b. PROJECT LOCATION

According to the BTS, Laredo was ranked first in the number of incoming truck containers from 2002 through 2014. This volume equates into approximately 1.9 million or 36 percent of the total incoming trucks from Mexico crossed the border in the Laredo-area (2014). The project is comprised of two projects, a direct connector from westbound US 59 to southbound IH-35 and two overpasses carrying mainlane US 59 traffic over IH-35, as depicted in Figure 1. As a bundle, these two projects will facilitate the safe, efficient and reliable freight and passenger traffic through this highly congested intersection. Joining two existing connectors providing eastbound US-59 traffic with access to IH-35, this connector will provide an unimpeded route for westbound US 59 to IH-35 and its two border crossings approximately 8 miles to the south. The US59 overpass project is located approximately three miles from the World Trade International Bridge IV (US 59) and approximately 8-miles from the Juarez-Lincoln International Bridge (IH-35). Currently, the US 59 mainlanes intersect the IH-35 frontage roads

⁵ Laredo Metropolitan Transportation Plan 2015-2040, Laredo Metropolitan Planning Organization

at at-grade, signalized intersections. The two overpasses will allow the mainlanes to pass over all of the IH-35 travel lanes; allowing traffic to freely flow through this intersection.

c. PROJECT PARTIES

This grant application is submitted solely by the TxDOT Laredo District, who is leading these projects as part of the IH-35 Statewide Corridor Implementation Plan. The Laredo District plans, designs, builds, operates and maintains the state transportation system in the counties of Dimmit, Duval, Kinney, La Salle, Maverick, Val Verde, Webb and Zavala. The Laredo District primarily conducts asset preservation and mobility projects to ensure the safety of the traveling public. The listed projects will be wholly managed by TxDOT using in-house staff and private contractors.

d. GRANT FUNDS, SOURCES AND USES OF PROJECT FUNDS

Table 8 below shows multiple revenue sources and uses of project funds, including the utilization of a \$35.16 million FASTLANE award.

Table 8: Overall Project Sources and Uses

SOURCES		USES		
		Component	Mainlane Overpass	Direct Connector
FASTLANE Grant	\$35,160,000	Bridge Costs	\$16,410,00	\$8,020,000
Other Federal (CBI) NHPP Funds	\$11,720,000	Roadway Costs	\$19,300,000	\$4,840,000
State Funds (Prop 7)	\$8,790,000			
TOTAL Project Cost	\$58,600,000	TOTAL	\$35,720,000	\$22, 870,000

Viability and Completeness of the Project’s Financing

The funding package for the two Laredo projects is a mix of federal and state dollars in the form of CBI program funds and FASTLANE grant dollars, as well as state funds through Proposition 7. The financial plan assumes an overall 80 percent federal participation rate and a 60 percent FASTLANE award share of the future eligible costs of the project costs.

Stable and Reliable Fund Commitments

Traditionally, TxDOT annually oversees approximately \$7.5 billion in the state highway fund (35%), \$3.4 billion in state bond proceeds (16%), \$1.8 billion in other funding mechanisms (tolls, mobility fund, concession fees), and over \$8.6 billion in federal funds (40%) to construct, maintain, and operate approximately 197,100 miles of state highway system.

Contingency Reserves

Despite the strong funding plan that is in place, TxDOT recognizes the need for contingency funding in the event of potential funding interruptions. The possibility of federal or state transportation dollars

being unavailable for project expenditures is remote. Historically, periodic short term interruptions in federal reimbursements have been successfully managed through cash management practices. In 1946, language was added to the Texas Constitution requiring three-fourths of all net revenue generated by motor fuels taxes to be used only for acquiring rights-of-way; constructing, maintaining, and policing public roadways; or for the payment of principal and interest on certain road district bonds or warrants. The Texas Constitution dedicates the remaining one-fourth of the motor fuels tax to the Available School Fund.

In the unlikely event that federal and state dollars are both unavailable, Texas has a variety of contingency solutions available depending upon the duration of the unavailability of funds ranging from short term cash management techniques to longer term access to credit and capital markets.

Financial Condition of the Project Sponsor

As a 100-year-old organization, TxDOT has the financial wherewithal to see the IH-35 project through to completion. The Texas Department of Transportation oversees a biennial budget of \$8.6 billion. As an agency of the state government, TxDOT is able to access capital markets by selling general obligation debt backed by the full faith and credit of the government. This debt is rated triple-A by all three national rating agencies.

Ability to Manage Grants

The financial strength of TxDOT goes hand in hand with past success in managing several federal grants and hundreds of federal contracts, both as a recipient and a pass-through agency for sub-recipients. The Department complies with all federal government expenditure and reporting requirements including the general requirements of the Office of Management and Budget's "Super Circular" and the transportation specific guidance outlined in the Stewardship and Oversight Agreement between the Department and the Federal Highway Administration.

1. FUTURE ELIGIBLE COST

The future eligible cost of this project, \$58.6 million, is comprised solely of construction costs.

2. AVAILABILITY AND COMMITMENT OF FUNDS

As shown in Table 9, \$35.16 million in FASTLANE funds to construct the Laredo IH-35 Project Bundle is being requested. This amount will be matched with \$23.44 million in committed funds for a total project cost and funding of \$58.6 million.

Table 9: Project Cost and Funding by Source

SOURCES OF FUNDS	FUNDING AMOUNT	% COST
FASTLANE Grant (Federal)	\$35,160,000	60%
Matching Funds	\$23,440,000	40%
Corridor Border Infrastructure (CBI) <i>(Combination of Federal & State Funding)</i>	\$14,650,000	
CBI Federal Funds	\$11,720,000	20%
CBI State Funds	\$2,930,000	5%
Prop. 7 (State Funding)	\$8,790,000	15%
TOTAL PROJECT COST	\$58,600,000	100%

- Notes: 1. Maximize FASTLANE share (60%)
 2. 40% match to FASTLANE = \$23.44M, covered from CBI and Prop 7
 3. Maximize use of federal funds (80% = \$46.88M) between FASTLANE and CBI

3. FEDERAL FUNDS ALREADY PROVIDED

The construction of US 59 Overpass over IH-35 has been identified by TxDOT, the City of Laredo, Webb County and the Webb County-City of Laredo Regional Mobility Authority (WC-CL RMA) as a priority project of this community. It is identified in the Unified Transportation Plan (UTP) and the Laredo TIP and the Laredo Metropolitan Transportation Plan (MTP) by the Laredo MPO and by TxDOT and in the Statewide Transportation Improvement Program (STIP). The federal funds identified are \$35,160,000 in FASTLANE grant funds and \$11,720,000 in CBI federal funds. Approximately 80 percent of the total project cost or \$46.88 million are from federal funds.

The direct connector from westbound US 59 (Future IH-69) to IH-35 southbound is not identified in the UTP. It is identified in the Laredo MPO’s 2010-2035 MTP as a project needed for congestion relief, economic development, and improved safety. The total project cost cited for 2010 is \$31,552,290. Currently, this project does not have an identified funding source and is outside the financial constraint of the MTP.

4. DETAILED PROJECT BUDGET

The project budget by segment is shown in Table 10 for the total eligible cost.

Table 10: Sources of Funds, Amounts and Percentage of Cost

Project Component	Project Costs	Grant Funds Requested	Grant Match		Prop 7 Funds (State)
			CBI		
			Federal	State	
Construction of Overpass	\$35,725,000	\$21,435,000	\$7,145,000	\$1,786,250	\$5,358,750
Construction of Direct Connector	\$22,875,000	\$13,725,000	\$4,575,000	\$1,143,750	\$3,431,250
PERCENTAGE OF OVERALL COST		60%	20%	5%	15%

Note: All costs are solely construction costs.

5. AMOUNT OF REQUESTED NSFHP FUNDS

TxDOT Laredo District is requesting \$35,160,000 in NSFHP funding for the two projects in the Laredo IH-35 Bundle. Table 11 breaks down the requested amount per project component and outlines the percentage cost of the total amount.

Table 11: Segment I-2 NSFHP Fund by Project Component

Detailed Project Component	Requested NSFHP Amount	% Cost
Highway	\$27,920,951	48%
Bridge	\$30,679,049	52%
Freight Rail/Freight Intermodal	\$0	0%
Grade Crossings	\$0	0%
Grade Separations	\$0	0%
TOTAL	\$35,160,000	100%

e. COST-EFFECTIVENESS ANALYSIS

A Benefit-Cost Analysis (BCA) was conducted in conformance with US DOT guidance to assess the impacts of the Laredo Bundle projects. A separate BCA was conducted for each of the two projects comprising the Laredo Bundle: the US 59 westbound to IH-35 southbound Direct Connector (the Direct Connector) and the US 59 Overpass at IH-35 (the Overpass). The BCA conducted for the Direct Connector indicated a *favorable* benefit/cost (B/C) ratio, with the monetized benefits of the project exceeding the estimated project-related costs. The BCA for the US 59 Overpass also indicated a *favorable* B/C ratio. In the summary discussion to follow, individual analysis inputs and results are presented for each project, along with a composite B/C ratio.

The BCA was prepared using the *California Life-Cycle Benefit/Cost Analysis Model* (Cal-B/C) which incorporates project costs by category and benefits related to travel time, vehicle operation, accidents,

and emissions. A summary of the BCA results for both projects included in the Bundle is provided in this section and more details regarding the inputs, sources, analysis, and results are provided in the Attachments. All monetary values were adjusted to 2015 dollars, the default value of the “2016 TIGER” version of the Cal B/C model, based on the Gross Domestic Product Price Index, unless otherwise stated. A seven percent discount rate was used to compute net present values of benefits and costs.

Note that there are other potential benefits resulting from the project which have not been included in the Cal-B/C analysis summarized below. Some of these additional benefit classes could potentially be quantified, while others are more qualitative. The additional benefits include (but are not limited to): improved travel time reliability, reduced bottleneck delays, increased access and/or mobility, public safety and health benefits, improvements to the human and natural environment surrounding the project, mitigation of stormwater runoff, and noise reduction. Because the Cal-B/C model indicates a favorable B/C ratio with only the four benefit categories directly supported by the model, these additional benefit categories were not analyzed at this time.

1. BENEFIT COST ANALYSIS

The Cal B/C model calculates the benefit/cost ratio based on inputs including the type of project, existing and future highway design and traffic data, current accident data, and estimated project costs. Table 12 provides a summary of the Cal B/C results for the Direct Connector and Overpass projects.

Table 12: Benefit Cost Analysis Summary

	Direct Connector	Overpass	Composite
Life-Cycle Costs (mil. \$)	\$18.0	\$36.1	\$54.1
Life-Cycle Benefits (mil. \$)	\$35.3	\$67.8	\$103.0
Benefit / Cost Ratio	2.0	1.9	1.9

Note: 2016\$, 20-year life cycle (2019-2038)

Figures 3 and 4 graphically depict the share by category of total project life-cycle costs and total project life-cycle benefits associated with the Direct Connector project, as discussed in more detail in the following sub-sections. Figures 5 and 6 provide project costs and benefit information for the Overpass project.

Figure 3: Direct Connector Project Costs, Net Present Value

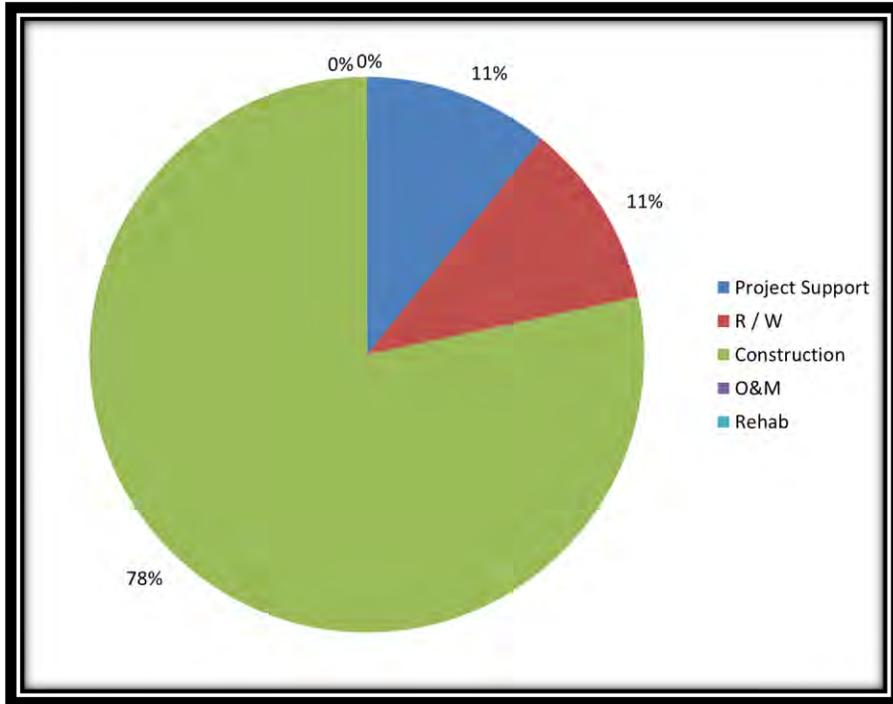


Figure 4: Direct Connector Itemized Benefits, Net Present Value

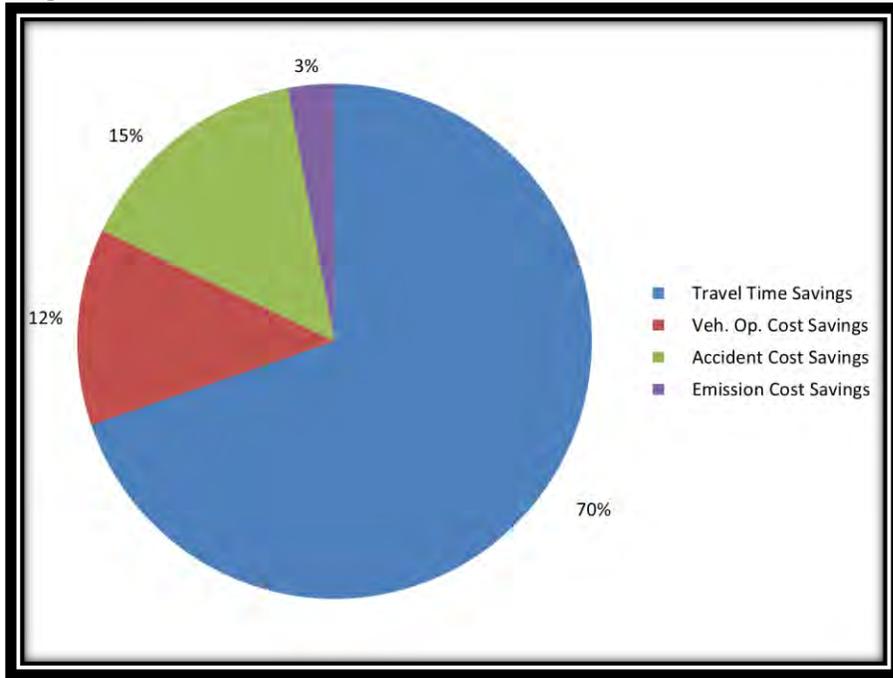


Figure 5: Overpass Project Costs, Net Present value

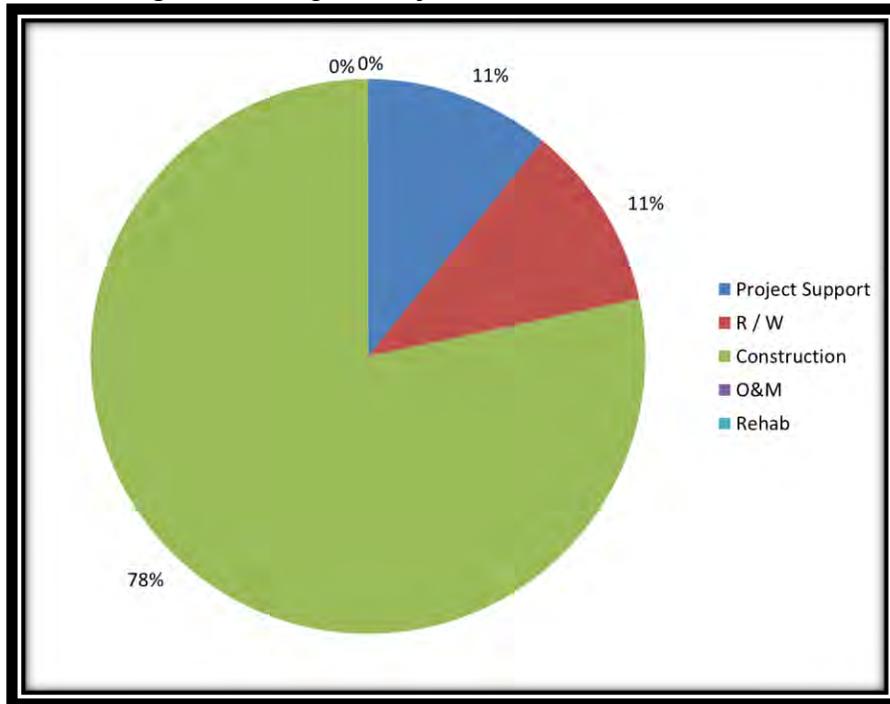


Figure 6: Overpass Itemized Benefits, Net Present Value

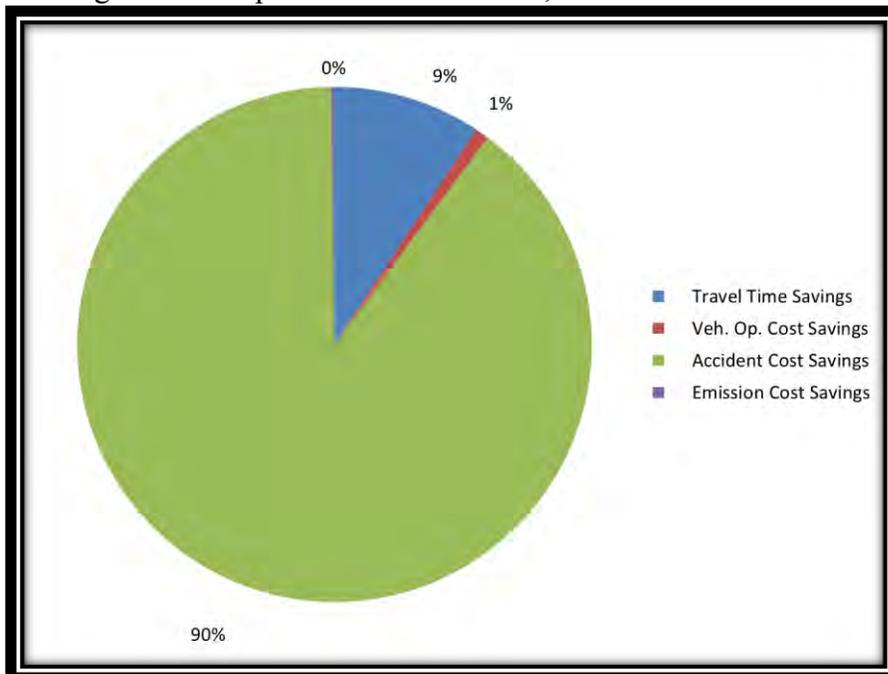


Table 13 provides a general overview of the Direct Connector and Overpass project parameters, as described elsewhere in this application in more detail.

Table 13: Project Matrix

	Direct Connector	Overpass
Current Status / Baseline & Problem to be Addressed	The project is located near the prominent Laredo Port-of-Entry and at the hub of trade entering the Laredo cross-border system via Interstate 35, US 83 and US-59/IH-69W. Current level of service of “F.”	The project is located near the prominent Laredo Port-of-Entry and at the hub of trade entering the Laredo cross-border system via Interstate 35, US 83 and US59/IH-69W. Current level of service of “F.”
Change to Baseline / Alternatives	Direct connection between westbound US-59/IH-96W and southbound IH-35 avoids congested conditions at intersection.	Overpass of US-59/IH-96W over IH-35 avoids congested conditions at intersection.
Type of Impacts	Direct connector reduces travel time and delay through a congested intersection and provides a safer facility for some traffic movements.	Overpass reduces travel time and delay through a congested intersection and provides a safer facility for some traffic movements.
Affected Population	In 2013, more than 13,000 vehicles per day would have benefited from the direct connector. By 2033, this traffic volume is expected to rise to more than 21,000.	In 2013, more than 6,000 vehicles per day would have benefited from the overpass. By 2033, this traffic volume is expected to rise to more than 10,000.
Economic Benefit	The Cal-B/C model indicates that the project will result in travel time, vehicle operation, accident reduction, and emission reduction benefits.	The Cal-B/C model indicates that the project will result in travel time, vehicle operation, accident reduction, and emission reduction benefits.
Summary of Results	B/C = 2.0	B/C = 1.9

2. PROJECT COSTS

Project costs and the length of the construction period were entered into the Cal B/C model. Project costs are included the following categories, as appropriate: Project Support, Right-of-Way (ROW), Construction, Maintenance/Operations, Rehabilitation, and/or Mitigation.

The initial design and construction costs for the Direct Connector project are approximately **\$19.5 million**. Support and ROW costs are each assumed to account for 10 percent of the overall cost of the Direct Connector project and to be accrued in the first year of the construction period (2016). The entire construction period is assumed to be three years with the remaining 80 percent of the total project costs allocated equally between the second (2017) and third (2018) year of the construction period. The total project costs equal **\$18 million** in present value terms. The breakdown of project costs as reflected in the Cal B/C analysis is indicated in **Error! Reference source not found.** below.

The initial design and construction costs for the Overpass project are approximately **\$39 million**. Support and ROW costs are each assumed to account for 10 percent of the overall cost of the Overpass project and to be accrued in the first year of the construction period (2016). The entire construction period is assumed to be three years with the remaining 80 percent of the total project costs allocated equally between the second (2017) and third (2018) year of the construction period. The total project costs equal **\$36 million** in present value terms. The breakdown of project costs as reflected in the Cal B/C analysis is indicated in Table 15 below.

MONETIZED BENEFITS

Tables 16 and 17 below provide a summary of the monetized benefits for travel time savings, vehicle operating cost savings, accident savings, and emissions reduction over the 20-year life cycle of the project that are reflected in the B/C ratio. Annual costs and benefits are presented in constant 2015 dollars. The total by category is then discounted at a seven percent annual rate to convert to present value. More information regarding the input assumptions and data sources underlying these annual benefit totals is provided in the sub-sections that follow, and in the Benefit-Cost Analysis Attachment.

The Cal-B/C model calculates that over 3 million hours of time will be saved over the life cycle of the Direct Connector project. This equates to more than **\$55 million in travel time savings**. The model indicates that the project would result in approximately **\$9.9 million in vehicle operating cost savings**. The project would result in **\$12 million in accident reduction costs**. The model indicates that the Direct Connector project would result in **\$2 million in emissions reduction benefits**. These benefits include over 7 million tons of CO₂ emissions saved over the life of the project.

The Cal-B/C model calculates that over 900,000 hours of time will be saved over the life cycle of the Overpass project. This equates to more than **\$14 million in travel time savings**. The model indicates that the project would result in approximately **\$1.3 million in vehicle operating cost savings**. The project would result in **\$138 million in accident reduction costs**. The model indicates that the Overpass project would result in **\$0.3 million in emissions reduction benefits**. These benefits include over 7 million tons of CO₂ emissions saved over the life of the project.

Detailed tables regarding the annual project costs and benefits for the analysis period are included in the BCA Attachment.

would allow for a project letting and award in the Summer of 2018 with construction starting immediately thereafter.

b) PROJECT CONSTRUCTION TIMELINE

Upon receipt of the NSFHP grant and completion of the final design tasks, construction is anticipated to begin in the Summer of 2018. Project construction should be substantially complete within 2.5 years in Fall 2020.

c) PROPERTY AND/OR ROW ACQUISITION TIMELINE

The project will be constructed entirely with existing TxDOT ROW; therefore additional ROW acquisition is not required for this project.

3. REQUIRED APPROVALS

- a) ENVIRONMENTAL PERMITS AND REVIEWS: NEPA STATUS; REVIEWS, APPROVALS, AND PERMITS BY OTHER AGENCIES; ENVIRONMENTAL STUDIES; DISCUSSIONS WITH FHWA AND PUBLIC INVOLVEMENT

US 59 (Future IH-69) Mainlanes Overpass (over IH-35) (CSJ: 0086-14-065)

The environmental approval of an open-ended (d) Categorical Exclusion (CE) is anticipated to be finalized in early April 2016 by the Laredo District. A major interchange at IH 35 (known locally as the “Milo” Interchange) was environmentally cleared in an Environmental Assessment in the early 1990s by FHWA. This EA covered construction of the existing IH 35 frontage roads and the IH 35 main lanes, widening the IH 35 main lanes over the Loop frontage roads, and constructing eight direct connectors between IH 35 and the Loop. It also included constructing the Loop frontage roads (to pass under the IH 35 main lanes and the U-P Railroad line) and the Loop main lanes which would eventually pass over the IH 35 main lanes and the U-P Railroad line. Approximately ten years ago the TxDOT-Laredo District, TxDOT-Environmental Affairs Division and FHWA concluded that implementing any additional phases of the Milo Interchange project would be environmentally studied and cleared as stand-alone Categorical Exclusion projects instead of completing a reevaluation of the original, early 1990s Milo Interchange Environmental Assessment.

This project is located within the Laredo Municipal Storm Sewer System permit boundaries and must comply with the requirements of the TCEQ Construction General Permit and with the Laredo Municipal Separate Storm Sewer System (MS4) Permit. The project will operate under the TPDES Construction General Permit and a notice of intent will be filed with the TCEQ along with proper posting of site notices. Notification of this project will be sent to the City of Laredo.

Air Quality

The project is located in an area in attainment or unclassifiable for all national ambient air quality standards (NAAQS) including ozone or CO; therefore, the transportation conformity rules do not apply and a Congestion Management Plan is not required. AADT projections for the project do not exceed 140,000 vehicles per day; therefore a Traffic Air Quality Analysis is not required.

Biological Resources

In accordance with the TxDOT/TPWD MOU, a biological evaluation was completed for the project. No suitable habitat was observed for any federally listed species. Therefore, there would be no effect on federally listed species. However, measures to avoid harm to any threatened and endangered species would be taken should they be observed during construction of the proposed project. Coordination with the USFWS was not required. In addition to field surveys, all appropriate federal (iPAC) and state (TPWD) protected species lists and databases (NDD) were accessed on December 29, 2015 to assist in the following findings:

- a. Due to the urbanized setting of this project and the heavy traffic loads on the surrounding frontage roads which precludes wildlife crossings, this project has a low likelihood of impacting any state listed species and no reasonable likelihood of affecting any federally listed species.
- b. There is no habitat or individuals of any federally endangered species in the project area and there would be no effect on any of the species listed for Webb County.
- c. This project has the possibility of impacting one state listed species, the horned lizard (*Phrynosoma cornutum*), as marginal habitat exists in the area between the frontage roads could contain individuals of this species but where the mainlane construction would occur.

Noise

The proposed project would not result in a traffic noise impact. Additionally, provisions will be included in the plans and specifications that require the contractor to make every reasonable effort to minimize construction noise through abatement measures such as work-hour controls and proper maintenance of muffler systems.

Community Impacts

It has been determined that there would be no direct impacts to businesses, public services or residential properties in relation to these two proposed projects because there would be no change to the access onto the current frontage roads.

Water Resources

The project will not affect any floodplains or wetlands. This project would result in no disturbances within any jurisdictional waters of the U.S. (WOTUS) creek crossings. One creek crossing just west of the project limits is the primary branch of Manadas Creek which is an intermittent stream. However, all work in this crossing was completed during the construction of the frontage roads in approximately 2001-04. Therefore, this work would not be required to operate under the USACE Nationwide Permit 14 or any other permit.

DISCUSSION WITH FHWA

Previous coordination with FHWA occurred with the previous EA, however, future FHWA coordination is not required, due to recent FHWA delegation of NEPA responsibility to TxDOT pursuant to 23

U.S.C. 327 and a Memorandum of Understanding dated December 16, 2014. TxDOT now has full authority to environmentally clear projects without FHWA oversight.

PUBLIC INVOLVEMENT

The project is taking place entirely within existing right-of-way, and an agreement with the Union Pacific Railroad is currently under way.

Due to the minor impacts from this project, no public meetings were required. Although the project had minor impacts and did not require public meeting, several meetings were held in 2006 at various locations along the project corridor to gather public input on upgrading this portion of the Loop to an expressway facility. All input from the 2006 public meetings was positive and supported the upgrade as soon as construction funding could be found. An opportunity for a public hearing was publicized as one of the final stages of the project's environmental approval process to inform the public of the project's preferred alternative and gather input and comments on the proposed work. The Hearing notice written in English and Spanish was placed on the TxDOT website and printed in the local newspaper on January 24, 2016. The Notice was mailed to each adjacent property owner as registered on the tax appraisal roles. No written, e-mail or verbal requests for a Public Hearing were received before the end of the 30-day comment period which ended at 5:00 pm on February 24, 2016.

All comments received to date indicate general public support for the project and comments from local officials indicate strong support for this project. The advancement of the funding for this project has been at the specific request of the Laredo MPO and WC-CL RMA. A copy of the public hearing notices are attached to this application. Additional documents from the hearing can accessed through the Laredo District.

Westbound US 59 (Future IH69) to IH-35 Southbound Direct Connector (CSJ: 0018-06-163)

The project is anticipated to meet the requirements of an open-ended (d) CE and that the project will receive environmental clearance in March 2017.

This project is located within the Laredo Municipal Storm Sewer System permit boundaries and must comply with the requirements of the TCEQ Construction General Permit and with the Laredo Municipal Separate Storm Sewer System (MS4) Permit. The project will operate under the TPDES Construction General Permit and a notice of intent will be filed with the TCEQ along with proper posting of site notices. Notification of this project will be sent to the City of Laredo.

To date, no NEPA studies have been completed for this project. Due to the minor impacts anticipated from this project, no public meetings are planned.

This project will not require FHWA coordination due to recent FHWA delegation of NEPA responsibility to TxDOT pursuant to 23 U.S.C. 327 and a Memorandum of Understanding dated December 16, 2014. TxDOT now has full authority to environmentally clear projects without FHWA oversight.

b) STATE AND LOCAL APPROVALS

The construction of US 59 Overpass over IH-35 has been identified by TxDOT, the City of Laredo, Webb County and the Webb County-City of Laredo Regional Mobility Authority (WC-CL RMA) as a priority project of this community. It is identified in the Unified Transportation Plan (UTP) and the Laredo TIP and the Laredo Metropolitan Transportation Plan (MTP) by the Laredo MPO and by TxDOT and in the Statewide Transportation Improvement Program (STIP). The direct connector from westbound US 59 (Future IH-69) to IH-35 southbound is not identified in the UTP. It is identified in the Laredo MPO's 2010-2035 MTP as a project needed for congestion relief, economic development, and improved safety. The upgrade of US 59 at IH-35 with the mainlanes overpass and direct connectors would be in conformance to those plans as well as comply with the requirements set forth by federal law that authorizes US 59 to become part of the Interstate 69 West (I-69W) system and that it be upgraded to interstate standards no later than 2035.

The state and federal funds identified for this project is a mix of federal and state dollars in the form of Corridor Border Infrastructure (CBI) program funds, FASTLANE grant dollars, as well as state funds through Proposition 7. CBI funds may be used in any portion of a border State within 100 miles of an international land border with Canada or Mexico, for improvements to facilitate or expedite cross-border motor vehicle and cargo movements. These improvements can include improvements to existing transportation and supporting infrastructure and construction of highways. Local funds identified for this project include Prop 7 funding, which can be used to purchase ROW for, and build, maintain, and rehabilitate non-tolled public roads and is derived from portions of revenue from the state's general sales and use tax.

Support of the project spans several levels of government, including the City of Laredo, Webb County, as well as the Texas legislature and U.S. Congress.

c) STATE AND LOCAL PLANNING

The two projects in the IH-35 Laredo Bundle are included in the Laredo MPO 2015-2040 MTP. This plan is the current long range plan that complies with the federal transportation planning process requirements. Even though the two projects in the bundle are part of the same interchange, they are identified in the plan as separate projects. The US 59 (future IH-69) Overpass project is also listed in the Laredo MPO 2015-2018 TIP in fiscal year 2016, and was incorporated to the STIP in August 2015. The direct connector project is currently not listed in the MPO's TIP. However, given that the Laredo MPO region is in attainment of air quality standards, the process to amend the 2040 MTP and to program the direct connector project in the TIP is simple and would not require long lead time to complete.

4. PROJECT RISKS AND MITIGATION STRATEGIES

The IH-35 Laredo Bundle projects will be implemented within the existing ROW footprint of IH-35 and US59, which is fully disturbed. Furthermore, both the US 59 mainlanes and the westbound to southbound direct connector are located to the inside of the existing IH-35 and US 59 frontage roads. This fact dramatically minimizes the risk to encounter unforeseen issues that could delay the development and construction of the projects. The fact that the complete interchange obtained NEPA clearance through an Environmental Assessment in the early 1990's also minimizes the possibility of encountering major issues when the NEPA clearance documents for the bundle projects is pursued through Categorical Exclusions. No utility relocations are anticipated for these projects.