

**North Tarrant Express CDA
Concession Facility Project**

**Public Hearing
For
Disclosure of Financial Information**

**IH 820 from IH 35W to SH 121/SH 183
CSJs: 0008-14-058, 0008-14-059, and 0014-16-194
and
SH 121/SH 183 from IH 820 to SH 121 Split
CSJs: 0364-01-054, 0364-05-025**

SUMMARY AND ANALYSIS / RECOMMENDATIONS

**North Tarrant Express CDA
Concession Facility Project**

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Summary and Analysis/Recommendations

IH 820 and SH 121/SH 183: From IH 35W to SH 121 Split

District/County: Fort Worth / Tarrant County

CSJ: 0008-14-058, 0008-14-059, 0014-16-194, 0364-01-054 and 0364-05-025

Public Hearing: The purpose of the public hearing was to provide disclosure of financial information regarding the Phase 1 construction project to be delivered through the North Tarrant Express (NTE) comprehensive development agreement. This project consists of the portion of the NTE along the corridors of IH 820 and SH 121/SH 183 from IH 35W to the SH 121 split from SH 183, referred to as the Concession Facility. The hearing provided financial information related to, and an opportunity for public comments regarding: project financing, duration of tolling, method for setting toll rates, competing facilities, termination for convenience, toll rates, methodology for increasing toll rates, and concession payments.

Proposed Improvements: The Concession Facility will reconstruct the existing corridors of IH 820 and SH 121/SH183 extending from IH 35W to the SH 121 split from SH 183, add two tolled managed lanes in each direction, improve frontage roads and add auxiliary lanes along the corridors. Direct connection, managed lane ramps from the northbound and southbound IH 35W general purpose lanes to the IH 820 eastbound managed lanes will also be provided. The project will add a third general purpose lane in each direction along IH 820 and a third managed lane in each direction along the corridor of SH 121/SH 183 by year 2030, or earlier if funding becomes available. The project allows for the interchange of IH 820/IH 35W to also be completed when funding becomes available.

Need and Purpose of the Project: Transportation improvements are needed along the IH 820 and SH 121/SH 183 corridors to address current and projected traffic demands and facility deficiencies. The traffic demand results from many causes, including high population growth, proximity to employment centers, lack of sufficient alternative routes, and high use of single occupancy vehicles along the corridors. There are insufficient lanes on the facility to carry the existing and projected east-west traffic demand. The high traffic volumes on the highway result in many effects, including slow travel speeds and extended hours of congestion, increased accidents, and increased air emissions.

The purpose of the proposed project is to improve mobility throughout the corridor to relieve existing traffic congestion, improve local traffic circulation, improve air quality, and accommodate future travel demand.

TxDOT is experiencing a monetary shortfall/gap to fund the needed major roadway improvements and the proposed public-private partnership is the best method TxDOT has employed to finance, design, construct, and maintain the IH 820 and SH 121/SH

183 corridors. Without the public-private partnership, this roadway expansion would be substantially delayed or not constructed.

Environmental Document Approval: The Federal Highway Administration (FHWA) approved the environmental assessment and issued a Finding of No Significant Impact (FONSI) for IH 820 on Dec 5, 2008. The draft environmental assessment prepared for SH 121/SH 183 received approval in the form of satisfactory for further processing by FHWA on May 13, 2009. A FONSI is expected to be received for SH 121/SH 183 by the end of summer 2009.

Notices and Articles: The notices of NTE's Public Hearing were published in the Fort Worth Star-Telegram, Dallas Morning News and Austin American Statesman on Sunday April 5, 2009; Monday April 6, 2009; Sunday, April 12, 2009; and Monday, April 13, 2009. In addition, a Spanish version of the notice was published in La Semana on Friday, April 10, 2009 and in Al Dia on Saturday, April 11, 2009.

Public Hearing Date and Place: The public hearing was held on April 14, 2009 at 7:00 p.m., at the North Fort Worth Baptist Church, 5801 North I-35W, Fort Worth, TX 76131.

Attendance: Approximately 71 people attended the public hearing. Of these, approximately 21 were private citizens. The remaining attendees were from TxDOT, the design consultants, elected officials, city and county representatives, media representatives, and other interested parties. Fourteen people submitted oral/written comments with many including several topics. The comments are grouped by topics below.

Conducted by: Mr. Brian Barth, Deputy District Engineer for the Fort Worth District of TxDOT, presented and explained the public hearing process and the details regarding project financing, duration of tolling, method for setting toll rates, competing facilities, termination for convenience, toll rates, methodology for increasing toll rates, and concession payments.

Exhibits: Plans illustrating the proposed project, schematics and copies of the NTE CDA Contract Documents were made available for public viewing and comment at the public hearing site, online at TxDOT's web page, and at TxDOT's Fort Worth District office.

Comments from Elected / Public Officials:

Verbal:

No elected/public officials provided verbal comments.

Written:

Five elected / public officials expressed approval of the proposed project and for a speedy implementation.

One comment was directed at the proposed access to Haltom Road from IH 820 in the City of Haltom City. The City of Haltom City municipal officials requested a redesign of the access locations to IH 820 from Haltom Road and the access to Haltom Road from IH 820 and the frontage road.

One comment was provided by the City of Haltom City municipal officials stating they do not believe the proposed CDA plans conform to the plans presented at the July 1, 2008 public hearing through the presentation of the virtual animation.

One comment expressed disagreement with the phasing plan of constructing the managed lane ramps near Haltom Road in Phase I of the CDA. The City of Haltom City municipal officials requested the managed lane ramps near Haltom Road, including the managed lanes along IH-35, be built in a later phase.

One comment relayed disagreement with the phasing plan regarding the timing of construction of the third general purpose lane in each direction along IH 820 by or before 2030. The City of Haltom City municipal officials requested that construction of these lanes be required during Phase 1 implementation.

Three city officials representing the City of North Richland Hills, the City of Bedford, and the City of Hurst requested that the relocations of their utilities along the corridor of SH 121/SH 183 be performed and funded/reimbursed 100 percent through the CDA.

Comments from the Public:

Verbal:

One person did not agree with the phasing plan regarding the timing of construction of the third general purpose lane in each direction along IH 820 by or before 2030. This person requested that construction of these lanes be required during Phase 1 implementation.

One person objected to the tolling of the NTE project.

One person explained that TxDOT has bonding authority to construct highways and requested that the implementation of the NTE project not lead to increases in taxes on homes and or properties statewide.

One person recommended addressing and/or improving the service road access during construction and was concerned that scheduled completion for the project extends to year 2010.

One person expressed concern about the potential confusion managed lanes customers may have in understanding the costs they will be charged for using the facility and about the potential increases in customer service costs that will result.

One person was concerned that the rate of the toll on the NTE project will be changing every five minutes.

Two people expressed the belief the legislature should follow the recommendations of the Sunset Advisory Commission and eliminate TxDOT. They also stated that they would like to see an elected official/commissioner directing TxDOT.

One person was concerned that tolls are going to be too expensive and many people will not be able to afford them. Therefore, traffic will shift from using the Toll way to using neighborhood streets to get to work.

Two people were concerned about the public hearing format and the process used to ask questions and to provide comments.

Written:

Two people expressed approval of the proposed project and for a speedy implementation.

One person explained that TxDOT has bonding authority to construct highways and requested that the implementation of the NTE project not lead to increases in taxes on homes and/or properties statewide.

Two people opposed tolling of the NTE project (IH 820 and SH 121/SH 183) and/or tolling any other roads in general.

Two people expressed their opinion that no foreign company should be used for construction of the roadway or in the lease of the managed lanes.

Two people described that our interstate highways are funded with money from gasoline and diesel taxes that are supposed to pay for building and upkeep of highways.

One person described that people should not and will not use the roadway to be tolled.

Two people do not agree with the proposed access to IH 820 through the City of Haltom City near their properties along Haltom Road. They would like TxDOT to adopt the changes in access proposed by the City of Haltom City.

Two people do not believe the proposed CDA plans conform to the plans presented at the July 1, 2008 public hearing through the presentation of the virtual animation.

Two people do not agree with the phasing plan of constructing the managed lane ramps near Haltom Road in Phase I of the CDA. They request the managed lane ramps near Haltom Road be built in a later phase including managed lanes along IH 35W.

Two people do not agree with the phasing plan regarding the timing of construction of the third general purpose lane in each direction along IH 820 by or before 2030. They request that construction of these lanes be required during Phase 1 implementation.

One person requested to see the team organizational charts for NTE Mobility Partner's (NTEMP), project information, and any potential of federal stimulus money provided to fund the project.

Summary of Major Comments/Issues that were Addressed: Detailed TxDOT response to issues and concerns can be found in the *Comment and Response Report*.

The verbal and written comments suggest an overall support for the proposed project and a desire for the project to proceed quickly. Several comments raised concern regarding the following: (1) opposition to tolling the NTE project; (2) opposition to the use of foreign companies for the construction, operation, or maintenance of the proposed project; (3) proposed redesign of access to Haltom Road from IH 820 through the City of Haltom City as requested by city officials; (4) whether the proposed CDA plans conform to the plans presented at the July 1, 2008 public hearing; (5) disagreement with the

phasing plan of constructing the managed lane ramps near Haltom Road in Phase I of the CDA; (6) disagreement with the phasing plan regarding the timing of construction of the third general purpose lane in each direction along IH 820 by or before 2030; (7) request by city officials that the relocations of their utilities along the corridor of SH 121/SH 183 be performed and funded/reimbursed 100 percent through the project; (8) the NTE project not lead to increases in taxes on homes and or properties statewide; (9) the potential confusion managed lanes customers may have in understanding the costs they will be billed for using the facility; (10) the rate of the toll on the NTE project may be changing every five minutes; (11) cost to utilize managed lanes will be too expensive and many people will not be able to use them; and (12) the public hearing format and the process used for questions and comments.

TxDOT Response to Public Hearing Comments:

- 1) *The reconstructed main lanes and frontage roads will not be tolled. Only the new managed lanes will be tolled. Paying to drive on the managed lane system is an optional user fee. Motorists who choose to drive the managed lanes system and who are willing to pay the user fee should experience more reliable travel times to their destinations.*

The state is experiencing a monetary shortfall to fund large needed roadway projects. The Dallas-Fort Worth region has more transportation needs than funds; therefore, as authorized by state law, innovative funding, which combines federal, state, and local funding with managed lanes user fees (i.e., tolls) is being pursued for new location and major reconstruction projects such as IH 820 and SH 121/SH 183. By using this alternative funding approach, much-needed facilities can and will be implemented faster than if relying only on traditional funding sources. Without tolling, this roadway expansion would be substantially delayed or not constructed.

Toll rates for the managed lanes will be set in accordance with the most current policy established by the North Central Texas Council of Government's (NCTCOG) Regional Transportation Council (RTC). In addition, managed lanes systems along NTE Express are an essential component of the air quality attainment/conformity plan for the Dallas-Fort Worth region .

- 2) Current law does not place restrictions on a foreign company's participation in CDAs. Please note that this facility will be solely owned by the State of Texas and not by a foreign company. In addition, all transportation construction projects involving federal and state funding, including the NTE Project, are required by law to employ only U.S. citizens or documented workers.

Conditional award of the project has been provided to NTE Mobility Partners (NTEMP). There are several American and Texas based firms as part of the NTEMP team that will be participating in the development and construction of the NTE project. In addition, investors in NTEMP may include the Dallas Police and Fire Pension System.

- 3) Based on our review, TxDOT cannot support incorporation of Haltom City's Collaborative Plan into the preliminary geometric schematic as presented on July 14, 2008. The Collaborative Plan as presented does not appear to provide for the safe and efficient movement of traffic or a higher level of service compared to the preliminary schematic presented at the July 1, 2008, public hearing. TxDOT is committed to continue working with the City in resolving this issue to develop a mutually acceptable access plan for Haltom Road.
- 4) The proposed CDA plans are consistent with the displays and design visualization presented at the July 1, 2008 public hearing, the approved IH 820 environmental document, and the geometric layout. A review of the official written transcript from the July 1, 2008 public hearing clearly indicates Haltom Road is served by a diamond interchange with jug handle access to and from Haltom Road, allowing Haltom Road to be grade separated from the frontage roads.
- 5) The ramps will provide appropriate managed lane access after Phase 1 is constructed and will also allow proper connectivity to the regional managed lane system as future phases along IH 35W are constructed. Given the reality of limited funding sources, phasing of the proposed improvements in the NTE project provided the best method available for TxDOT and the region to begin the implementation process. The phasing plan was carefully analyzed, studied, and coordinated with FHWA and the region before it was adopted as the basis for bidding during the procurement process. Several factors were considered in the process of developing and adopting the phasing plan including, but not limited to, community and users' interests and impacts, traffic impacts, future expansion plans, mobility impacts, and financial constraints.
- 6) The third general purpose lane in each direction along IH 820 is required to be constructed by the year 2030 at the latest. The CDA provides for these roadway lanes to be constructed when funding is made available through the years coinciding with Phase 1 implementation (2015) through the year 2030. Given the limited amount of funding sources, phasing of the NTE project provided the best method available for TxDOT and the region to start the implementation process. TxDOT's goal, working closely with the region and the community at large, is to identify new future funding sources, project needs, and local and regional priorities before making future investment decisions and/or recommendations on implementing future segments included in the NTE project.
- 7) By law, TxDOT and a utility shall share equally the cost of the relocation of the utility that is required by the construction of a toll project. (See Texas Transportation Code §203.092)
- 8) Property taxes are not a source of funding for state transportation projects. Funding sources expected to pay for the project include state and federal gas taxes, equity contributed by NTEMP and debt raised by NTEMP. Through its equity and debt, NTEMP will pay a majority of the project's costs. Debt will be raised by NTEMP to finance acquisition of right of way, relocation of utilities, design, construction, operations, and maintenance of the project. Debt will be repaid by NTEMP from toll revenues. Sources of debt include private activity

bonds, bank debt, and credit assistance as authorized under the Transportation Infrastructure Finance and Innovation Act (TIFIA).

- 9) Digital message signs will be located before the entrances to the managed lanes to describe the costs of entering and using the managed lane facility. The signs will be located far enough in advance of the entrances to allow drivers the choice to utilize either the general purpose or managed lanes. It is anticipated that the majority of vehicles using the managed lanes would be equipped with devices that permit automatic electronic toll collection (i.e., North Texas Tollway Authority's (NTTA) TollTag, TxDOT's TxTag, or Harris County Tollroad Authority's EZTag). Toll charge collections would be automatically deducted from the user's prepaid credit or cash account. The user would be required to maintain sufficient funds in the account to cover incurred toll charges. License plate recognition by video will be installed to permit out-of-town and occasional users without electronic devices to be billed by mail, similar to the installed video billing system on SH 121. These video billings will include a service charge set by NTTA that does not apply to automated electronic toll collection. The NTTA will be working for the developer as a contractor providing the customer service support and back office operations required to enable managed lanes users to pay tolls. The costs of performing those functions will be paid to NTTA by NTEMP under a Tolling Services Agreement between NTTA and NTEMP.
- 10) The purpose of the managed lanes is to help provide and partially pay for the additional capacity improvements, increase efficiency, and provide for congestion free travel and travel time reliability. The managed lanes pricing mechanism will be used as a tool to manage congestion on the basis of time of day, vehicle type and occupancy, and changing traffic conditions along the corridor. The time period of five minutes is a minimum amount of time the rate of toll will remain unchanged. The toll rate may remain unchanged for longer periods of time, dependent upon congestion levels in the managed lanes, but will be allowed to be updated in minimal increments of five minutes in response to fluctuations in traffic conditions to help protect mobility and reliability.
- 11) Only the new managed lanes will be tolled. As part of the project, NTEMP will reconstruct the main lanes and frontage roads, but these main lanes and frontage roads will not be tolled. Paying to drive on the managed lane system is an optional user fee. Motorists who choose to drive the managed lanes system and who are willing to pay the user fee should experience reduced and more reliable travel times to their destinations.

The addition of the managed lanes within the corridor will increase capacity thereby increasing average roadway speed and improving the level of service on the entire roadway network, including the non-tolled general purpose lanes, compared to existing conditions that will remain if the project is not built. At a minimum, the project will reconstruct and preserve the existing number of general purpose lanes and frontage roads at all locations. Additional capacity will be provided along IH 820 in the form of additional frontage roads and by year 2030 one general purpose lane in each direction will also be provided. Additional managed lanes along IH 820 and SH 121/SH 183 will consist of two lanes in each direction at project opening. A third managed lane in each direction will be constructed along SH 121/SH 183 by year 2030 with this

project. The project will provide additional capacity throughout the corridor that will help provide relief to the surrounding local roadway network.

All toll rates pertaining to the managed lanes will be set in accordance with the NCTCOG's RTC "Managed Lane Policies." Per the policies, a fixed-fee schedule will be applied during the first six months of operation; dynamic pricing will be applied thereafter. Under the NCTCOG's policy, the maximum toll rate that could be applied during the fixed-fee schedule is 75 cents per mile. During dynamic pricing, the toll rate will be established to maintain a minimum average corridor speed of 50 miles per hour, as required by the NCTCOG's policy. Also, under the current policy, high occupancy vehicles will pay the full rate in the off-peak periods but will receive a 50 percent discount during the peak periods.

- 12) A formal presentation was delivered to disclose contract and financial information regarding the NTE comprehensive development agreement in accordance with law. The project manager and design engineers familiar with the project were available before and after the formal presentation was delivered to answer questions and help explain the CDA contract documents. Individual oral comments were allowed to be provided to court reporters immediately after the formal hearing presentation and written comments were received at the public hearing and until three days after the hearing through email and the U.S. Postal Service. The comments properly submitted and received are being responded to through a Summary and Analysis of the comments presented.

Recommendation: After comprehensive review of the comments received during the public involvement/hearing phase, TxDOT will continue to work with the local municipalities and property owners during the design and construction phases of the project.