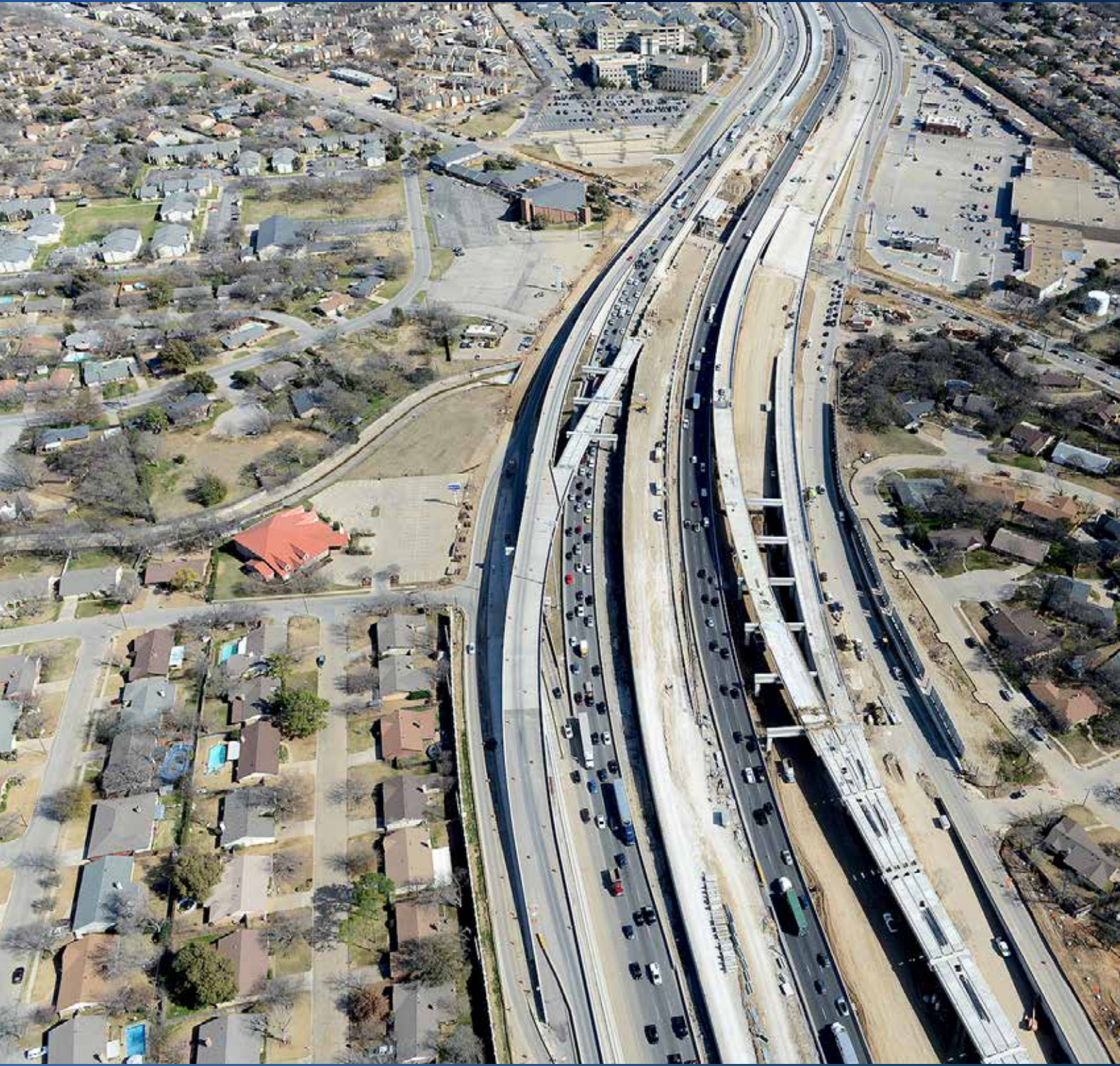


ALTERNATIVE PROJECT DELIVERY



2017 Educational Series



ALTERNATIVE PROJECT DELIVERY



OVERVIEW

TxDOT uses comprehensive development agreements (CDAs)— an umbrella term for public-private partnerships— in order to leverage private investment and share the risks and responsibilities associated with designing, constructing and, in some cases, financing, operating and maintaining transportation projects. State law governing CDAs provides a competitive process for selecting private-sector developers for regional projects or other large undertakings. Statute also allows TxDOT to select the proposal that provides the best value to the state. In addition, because multiple tasks can be underway simultaneously, CDAs can significantly reduce the overall time needed to deliver large transportation projects.

CDAs have helped narrow the gap between the state's transportation needs and its current transportation funding on projects that have improved traffic flow and air quality in areas of greatest need and demand. Compared to traditional pay-as-you-go approaches, CDAs can accelerate the delivery of projects by as much as 10 to 15 years. This provides the public earlier access to these important facilities.

DESIGN-BUILD AND PUBLIC-PRIVATE PARTNERSHIPS

TxDOT uses two types of CDAs, design-build and concessions. A design-build contract provides a mechanism for property acquisition, design and construction to occur simultaneously under a single contract, but does not include private-sector financial participation or the long-term lease of the facility to a private partner. A concession agreement makes a private-sector developer responsible for performing some or all of the development, financing, operation and maintenance of a facility for a specific time period up to 52 years. In exchange, the developer receives some type of ongoing revenue stream, usually from tolls collected from facility users. Such projects may require a developer to share toll revenue with TxDOT over the life of the contract. Other benefits to TxDOT, depending on the potential revenues from the project, may provide the department with an upfront, lump sum payment to be used on other projects, such as occurred with development on State Highway 130 from Seguin to Mustang Ridge. Some projects, however, may require some amount of public subsidy.

Although many CDA projects are tolled in order to generate revenue to pay for construction and maintenance, CDA projects may also be non-tolled if other project funds are available. In a concession contract, all revenue risk (or the risk of the projected revenues being adequate to cover project costs and debt service) is placed on the developer. This is the type of contract TxDOT primarily uses.

LEGISLATIVE AUTHORIZATION REQUIRED

While public acceptance of private- sector participation in the design, construction and operation of transportation facilities appears to be growing as such projects become more common, the Texas Legislature has limited the number of CDA projects that TxDOT may undertake. Provisions in Senate Bill 1420 (82nd Legislature) and Senate Bill 1730 (83rd

Legislature) authorized the department to enter into CDAs for specific projects. The tables above provide information about TxDOT's authorized CDA projects, which are currently in various stages of procurement or implementation. The 82nd Legislature also gave separate statutory authority to TxDOT to develop large projects using the design-build process. This authority is limited to projects with no private financing or revenue collection, and through fiscal year 2015 can only be used three times a year on projects greater than \$150 million in construction costs.

Current Projects Being Delivered by TxDOT via CDA Legislation

Project Name	TxDOT District	From	To	Project Status	Date Open to Traffic (Estimate)
North Tarrant Express (NTE) Segments 1&2W	Fort Worth	I-820 at I-35W	SH 183/SH 121 at FM 157	Operations & Maintenance	October 2014
I-635 (LBJ Express)	Dallas	I-635 at Greenville Ave. I-35E at Northwest Hwy.	I-635 at Luna Rd. I-35E at Valwood Pkwy.	Operations & Maintenance	September 2015
SH 99 (Grand Parkway)	Houston	Not defined	Not defined	Segments in varying stages of O&M, design, construction, procurement & pre-procurement/planning	Segments F-G – March 2016 Segment E – Open Segments H&I – Late 2019
Loop 1604	San Antonio	Not defined	Not defined	First Phase SH 16 Bandera Rd. to FM 471 in design/construction; Remaining phases SH 16 to I-35 in planning/pre- procurement	First Phase: June 2016 Remaining Phases: TBD
I-35E	Dallas	I-635	US 380	Design/construction	Mid 2017
I-35W (NTE Segments 3A, 3B, & 3C)	Fort Worth	I-30	SH 114	3A: Design/Construction 3B: Design/Construction 3C: Planning/Pre- procurement	Segment 3A – 2018 Segment 3B – Late 2017 Segment 3C - TBD
SH 288	Houston	US 59	SH 6	Design/Construction	Fall 2019
Loop 375 (Border Highway)	El Paso	Race Track Dr.	US 54	Design/Construction	Late 2017
SH 183 Managed Lanes	Dallas	SH 121	I-35E	Design/Construction	Mid 2018
SH 114	Dallas	SH 121	SH 183	Design/Construction (with SH183 Project)	Mid 2018
Loop 12	Dallas	SH 183	I-35E	Design/Construction (with SH183 Project)	Mid 2018
US 181 Harbor Bridge	Corpus Christi	US 181 at Beach Ave.	I-37	Design/Construction	Phase 1: Mid 2020 Phase 2: Mid 2021
I-35E/US 67 (Southern Gateway Project)	Dallas	I-35E at 8th St. US 67 at I-35E.	I-35E at I-20 US 67 at FM 1382	Procurement	TBD
I-820 (NTE Segment 4)	Fort Worth	SH 183	Randol Mill Rd.	Planning	TBD
Loop 9	Dallas	I-20	US 67	Planning	TBD

Current Projects Being Delivered by Regional Mobility Authorities via CDA Legislation

Project Name	TxDOT District	From	To	Project Status	Date Open to Traffic (Estimate)
Loop 1 (MoPac Improvement Project)	Austin	FM 734	Cesar Chavez St.	Design/Construction Open - North of 2222 to Parmer	Central Texas RMA / 2017
Hidalgo County Loop Project	Pharr	Not defined	Not defined	Planning- Environmental clearance anticipated late 2014	Hidalgo County RMA / 2018-2019
US 183 (Bergstrom Expressway)	Austin	Springdale Rd.	Patton Ave.	Design/Construction	Central Texas RMA / 2020
International Bridge Trade Corridor	Pharr, Hidalgo, McAllen, Donna, Progresso	Not Defined	Not Defined	Planning- Environmental clearance anticipated in early 2016	Hidalgo County RMA / TBD
Outer Parkway South Padre Island Second Access	South Padre Island, Port Isabel	US 77 SH 100	FM 1847 Park Rd. 100	Planning	Cameron County RMA/ TBD
Loop 49 - Linda Relief Route Loop 49 - Segments 6&7	Tyler	I-20 SH 110	US 69 US 259	Planning	Northeast Texas RMA/ TBD
Parkway Project	El Paso	Loop 375 east of the Railroad Dr. overpass	Texas/New Mexico Border	Planning	Camino Real RMA / TBD

TEXAS DEPARTMENT OF TRANSPORTATION

Values:

People

People are the Department's most important customer, asset, and resource. The well-being, safety, and quality of life for Texans and the traveling public are of the utmost concern to the Department. We focus on relationship building, customer service, and partnerships.

Accountability

We accept responsibility for our actions and promote open communication and transparency at all times.

Trust

We strive to earn and maintain confidence through reliable and ethical decision-making.

Honesty

We conduct ourselves with the highest degree of integrity, respect, and truthfulness.

Vision:

A forward-thinking leader delivering mobility, enabling economic opportunity, and enhancing quality of life for all Texans.

Mission:

Through collaboration and leadership, we deliver a safe, reliable, and integrated transportation system that enables the movement of people and goods.

Goals and Objectives:

- **Deliver the Right Projects** – Implement effective planning and forecasting processes that deliver the right projects on-time and on-budget.
- **Focus on the Customer** – People are at the center of everything we do.
- **Foster Stewardship** – Ensure efficient use of state resources.
- **Optimize System Performance** – Develop and operate an integrated transportation system that provides reliable and accessible mobility, and enables economic growth.
- **Preserve our Assets** – Deliver preventive maintenance for TxDOT's system and capital assets to protect our investments.
- **Promote Safety** – Champion a culture of safety.
- **Value our Employees** – Respect and care for the well-being and development of our employees.



This document is part of an educational series on transportation issues produced by the Texas Department of Transportation.