



SH 249 EXTENSION

Financial Public Hearing



Welcome

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Public Comments

- Oral comments tonight:
 - Please sign-in at the front desk to speak
 - A court reporter is available to document oral comments

- Written comments may also be mailed to:

Varuna Singh, P.E.
Texas Department of Transportation
P.O. Box 1386
Houston, Texas 77251

- Written comments must be received at the TxDOT Houston District Office by 5:00 PM on Thursday, September 7, 2017
- Email written comments to HOU-PIOWebMail@txdot.gov
- Summary and analysis of comments will be posted on the SH 249 Extension Segment 1 webpage at <http://www.txdot.gov/inside-txdot/projects/studies/houston/sh249-extension.html>

Public Hearing Purpose

- Describe the SH 249 Extension (Montgomery and Grimes Counties).
- Describe Financial Information for Segment 1 of the Project.
- Provide an Opportunity for the Public to Comment on the Financial Information.

Project Purpose

Project Purpose

- Efficiently link the suburban communities and major roadways
- Enhance mobility and safety
- Respond to population growth and residential development in the area



Project Overview

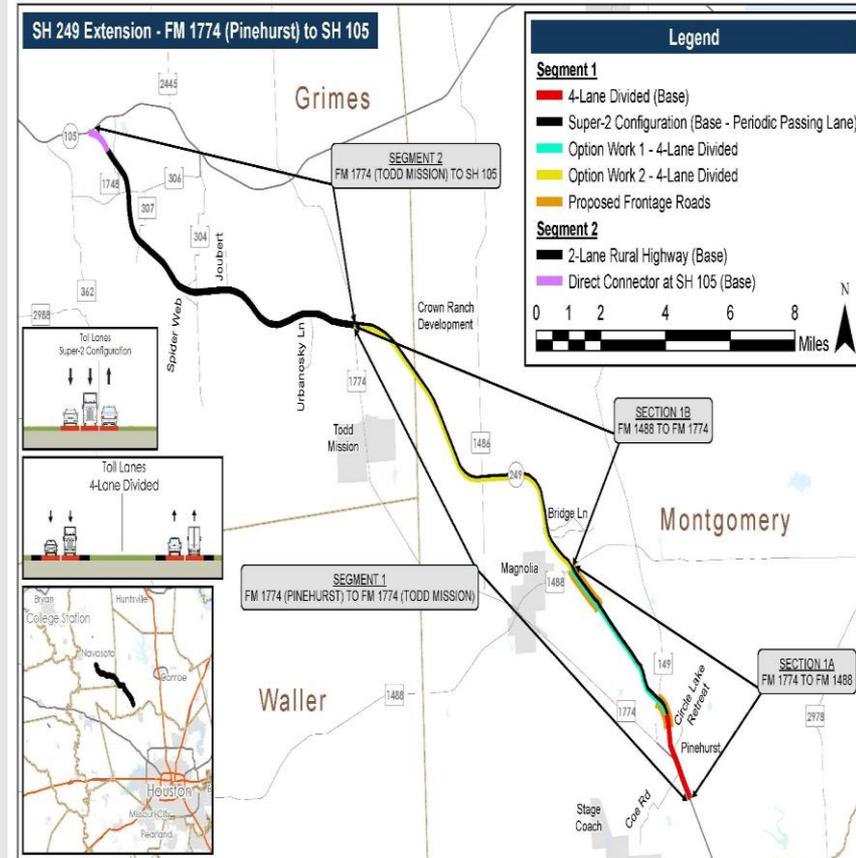
▪ SH 249 Extension

- Texas Transportation Commission conditionally awarded and authorized TxDOT to begin contract negotiations with WBCCI, LLC.
- Contract execution is anticipated in September 2017.
- Substantial Completion of Segment 1 is anticipated in June 2020.
- Substantial Completion of Segment 2 is anticipated in mid-late 2022.
- Tolling of Segment 1 is anticipated to commence in June 2020.
- Segment 2 will not be a tolled facility.
- Project consists of a Design-Build Agreement and a Capital Maintenance Agreement.

Project Overview

SH 249 Extension

- TxDOT will enter into a **Design-Build Agreement (DBA)** to design and construct approximately 24 miles of new location roadway in Montgomery and Grimes Counties. The Project consists of two Segments (1 and 2).
- **Segment 1 Base Scope**– Approximately 14-mile toll facility from FM 1774 in Pinehurst (Montgomery County) to FM 1774 north of Todd Mission (Grimes County). Segment 1 Base Scope consists of a four lane divided toll facility from FM 1774 in Pinehurst to just south of FM 149, and a Super-2 (one lane in each direction with intermittent passing lanes) toll facility from just south of FM 149 to FM 1774 north of Todd Mission.
 - **Option Work 1** – Four tolled main lanes from just south of FM 149 to FM 1488 in Magnolia.
 - **Option Work 2** – Four tolled main lanes from FM 1488 in Magnolia to FM 1774 north of Todd Mission. Option 2 work will only be exercised in conjunction with Option 1 Work.

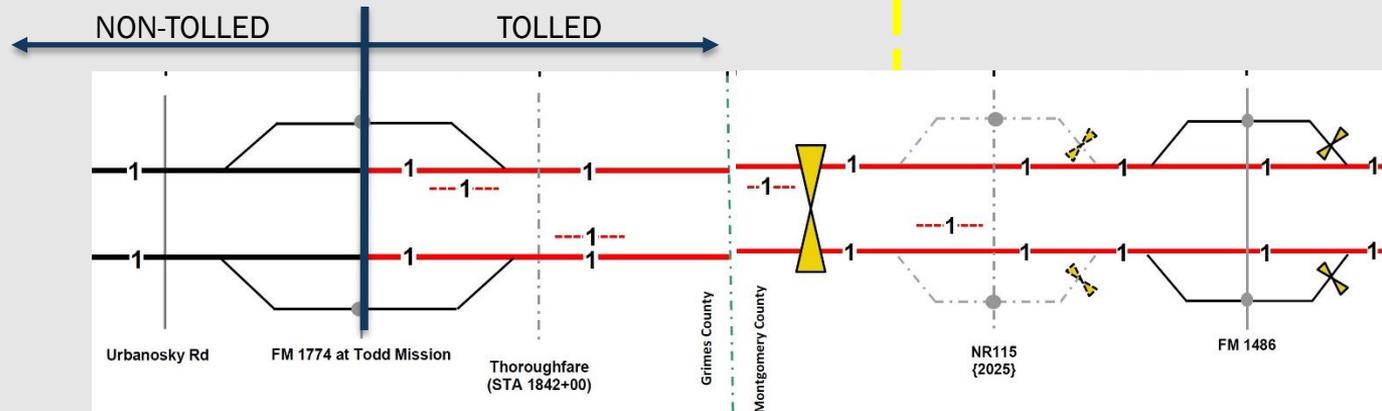


Project Overview

SH 249 Extension

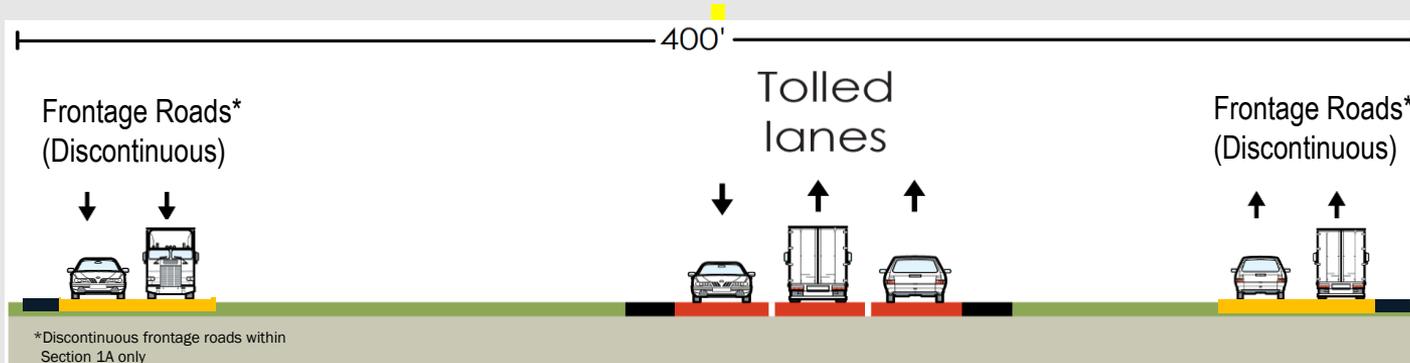
- **Segment 1 Base Scope** – Approximately 2 miles of Segment 1 is located within Grimes County.
 - No Toll Gantry within Grimes County portion.
 - Last Free Exit signs will be provided approaching Montgomery County.

- **Segment 2 Base Scope** – Approximately 10-mile two lane (one lane in each direction) non-tolled facility from FM 1774 north of Todd Mission to SH 105 near Navasota (Grimes County).
 - Open Access allowed through TxDOT permit process after roadway competition.
 - Northwest Direct Connector from SH 249 to Westbound SH 105 constructed with this project.

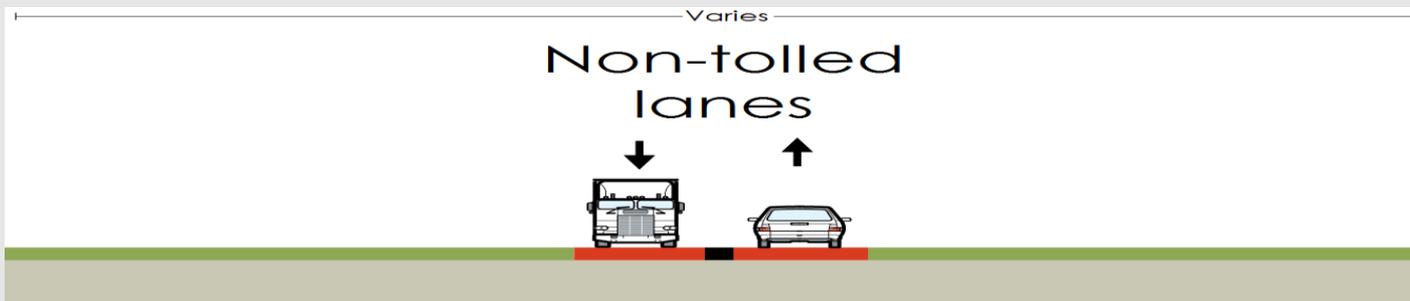


Project Overview – Base Scope Typical Sections

Segment 1 Base Scope Proposed Typical Section



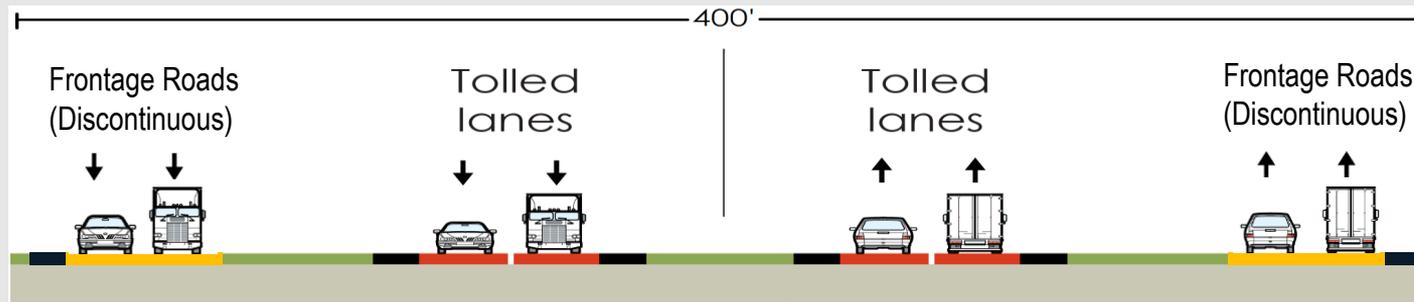
Segment 2 Base Scope Proposed Typical Sections



Project Overview – Options 1 & 2 Scope and Typical Sections

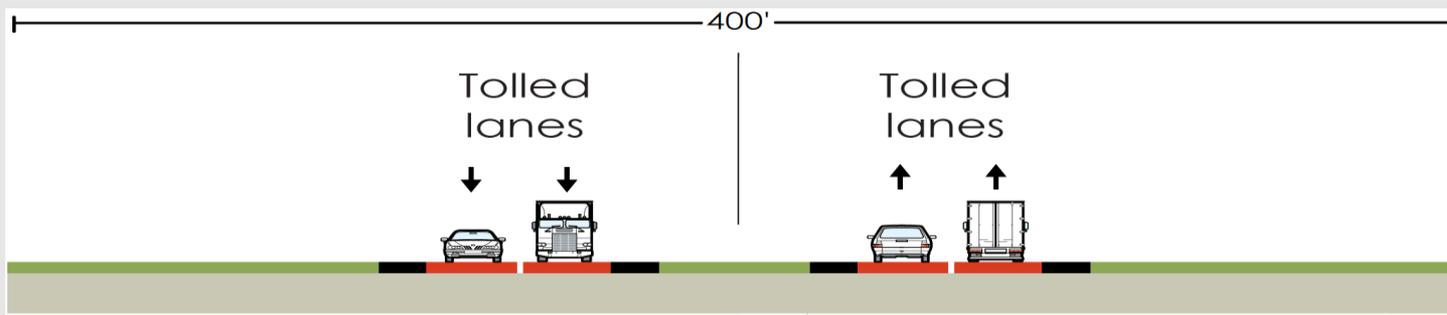
Option 1 (Section 1A)

- 4 lanes (2 in each direction) between FM 1774 in Pinehurst to FM 1488 in Magnolia



Option 2 (Section 1B)

- 4 lanes (2 in each direction) between FM 1488 in Magnolia to FM 1774 in Todd Mission



Environmental and Permit History

Segment 1

- Segment 1 DEIS – January 5, 2015
- Segment 1 FEIS/ROD – January 12, 2016
- Re-evaluation #1 – April 19, 2017
- USACE Individual Permit – August 12, 2016

Segment 2

- Finding of No Significant Impacts – September 9, 2016
- Re-evaluation #1 – Pending
- USACE Permit - Pending

Procurement History

Two-step competitive process to select the best value proposer

- Request for Qualifications (RFQ) Phase
 - May 15, 2015 – RFQ Issued
 - August 27, 2015 – Short-listed five Proposers
- Request for Proposals (RFP) Phase
 - September 28, 2016 - RFP Issued
 - March 27, 2017 – Received two Proposals, three Proposers opted out of competition
 - June 29, 2017 - Conditional Award to WBCCI, LLC
 - *September 22, 2017 – Contract Execution (NTP1) anticipated*
 - *June 2020 – Segment 1 Substantial Completion anticipated*
 - *June 2020 – Tolling Commencement of Segment 1 anticipated*

Design-Build Contractor Team Members

WBCCI, LLC

Equity Members:

- Williams Brothers Construction Company Inc. (WBCCI), LLC

Major non-equity members and other team members:

- Parsons Transportation Group, Inc.
- Raba Kistner Infrastructure, Inc.
- HDR | ICA

QA Firm:

- Raba Kistner Infrastructure, Inc.



Project Financing

- **Segment 2 of the project will not be tolled, and will not be discussed for the remainder of the presentation.**
- TxDOT intends to fund Segment 1 of the SH 249 Extension project with toll revenue bonds.
- TxDOT expects to issue an estimated \$325 million of project debt for Segment 1 of the Project.
- Proceeds will be used to acquire, design and construct Segment 1.
- No debt will be used for operations or maintenance.
- Debt will be repaid with Segment 1 toll revenues over a 40-year term.
- Projected amount of interest paid on Segment 1 debt is approximately \$780 million over the term of the financing.
- There are no concession payments.
- Segment 1 of the Project will continue to be tolled after the debt has been repaid.

Toll Rate Policy

- TxDOT will be responsible for Segment 1 toll collection on the Project.
- The Segment 1 initial toll rate will be \$0.271 per mile (in 2020 \$) and escalate at 2.2% per year.
- Segment 1 toll rates will be static (not changing based on traffic conditions).
- TxDOT will continue to collect tolls on Segment 1 after the debt has been repaid.
- If all three maintenance options are exercised, the estimated toll rate at the end of the maintenance term will be \$0.376 per mile in 2035.

Toll Rate Policy

- Under anticipated operating conditions and subject to Transportation Commission adoption, the following are anticipated for two-axle vehicles:

Project Status	Year	Estimated \$/mile*
Initial Toll Rates	2020	\$0.271
End of 1 st CMA Term	2025	\$0.302
End of 2 nd CMA Term	2030	\$0.337
End of 3 rd CMA Term	2035	\$0.376

*Toll rates per mile are calculated as follows:

- Toll rate escalation from 2018 onwards:
 - 2.20% per year (assumed)

Competing Facilities Provision

- There are no terms in the Design-Build Agreement related to competing facilities and there are no penalties associated with their construction.

Termination for Convenience Provisions

Design-Build Agreement (DBA)

- TxDOT has the right to terminate the DBA at any time without cause.
 - If TxDOT elects to exercise this right, TxDOT must pay WBCCI, LLC for the design and construction work already performed under the DBA, the costs of terminating subcontracts, and certain out-of-pocket costs incurred by WBCCI, LLC.

Capital Maintenance Agreement (CMA)

- TxDOT has the right to terminate the CMA at any time without cause.
 - If TxDOT decides not to execute the first term of the CMA, TxDOT will pay WBCCI, LLC justified termination costs up to \$1 million.
 - TxDOT has sole discretion to exercise the second, and subsequent third, terms without incurring termination costs.
 - If TxDOT terminates the CMA in the middle of a 5-year term, WBCCI, LLC will be entitled to justified termination costs.

Additional Information

- For further information about the Project, visit www.txdot.gov and search the keyword “SH 249 Extension”
- <http://www.txdot.gov/business/partnerships/current-cda/sh249-extension/rfp.html>
- <http://www.txdot.gov/inside-txdot/projects/studies/houston/sh249-extension.html>

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