

**APPROVAL OF
MPO APPOINTMENT TO SH 288 “1420 COMMITTEE”**

“1420 Committee” Background

Approved by the 82nd Texas Legislature, Senate Bill 1420 established a process for a committee of project stakeholders to determine key financial elements for certain TxDOT toll projects in which a private entity has a financial interest.

Subsequent to passage of this legislation, the Texas Transportation Commission codified rules for the formation, operation and dissolution of these “1420 Committees” into the Texas Administrative Code under Subchapter H of 43 T.A.C. Chapter 27.

The membership of 1420 Committees is comprised of a representative from each of the following entities:

1. each MPO within whose boundaries the project may be located;
2. each local toll project entity within whose boundaries the project may be located;
3. any city or county which has certain financial interests in the project (including the donation of right-of-way); and
4. TxDOT

The key financial elements which the 1420 Committees must determine and recommend to the Department are:

1. the distribution of project financial risk;
2. the method of project financing; and
3. the project tolling structure and methodology.

SH 288 Toll Road Project Background

The 82nd Texas Legislature reaffirmed the Department’s use of comprehensive development agreements (CDAs) and identified the SH 288 toll road project in Harris and Brazoria Counties as an eligible CDA project.

TxDOT and Brazoria County, in coordination with Harris County, are developing an interim phase of the SH 288 toll road project. This interim phase includes the construction of a two-lane reversible managed-lane facility from south of US 59 near downtown Houston to north of SH 6 in Brazoria county and four direct connectors between SH 288 and the Sam Houston Tollway (BW 8).

Current Situation

On September 11, 2012, the Commissioner’s Court of Harris County formally waived its option to develop and implement the SH 288 toll road project in Harris County.

As the Texas Transportation Commission had previously authorized the Department to exercise its option to develop and implement the SH 288 toll road project within Harris County, the Department is establishing a 1420 Committee for this project. Brazoria County currently

maintains the rights to develop and implement the project within their jurisdiction. Therefore, the 1420 Committee does not include the Brazoria County portion of the corridor.

As the “local toll road project entity”, the Harris County Toll Road Authority will be a member of the SH 288 1420 committee. The cities of Houston and Pearland have requested membership based upon their “financial interests in the project”. As of the TPC mailing, TxDOT has not confirmed either city’s membership in the 1420 committee.

On November 20, 2012, the Department formally requested the Policy Council appoint an MPO representative to the SH 288 Toll Road 1420 Committee.

At the November TPC meeting, Chairman Emmett encouraged any member wishing to serve as the MPO representative contact MPO staff and convey their interest. In addition to the Cities of Houston and Pearland, Brazoria County has communicated its interest in participating as a member of the 1420 Committee.

Requested Action

Staff requests TPC appointment of a member to the SH 288 Toll Road “1420” Committee and approval of **Resolution 2013-03** confirming this appointment.



Resolution

NO. 2013-03

APPOINTING A REPRESENTATIVE OF THE TRANSPORTATION POLICY COUNCIL (TPC) FOR THE HOUSTON-GALVESTON TRANSPORTATION MANAGEMENT AREA TO THE SH 288 TOLL ROAD “1420 COMMITTEE”:

WHEREAS, Transportation Code, §228.013, added by Senate Bill 1420, 82nd Legislature, Regular Session, 2011, requires, for certain department toll projects in which a private entity has a financial interest in the project's performance, that the distribution of the project's financial risk, the method of financing for the project, and the tolling structure and methodology be determined by a committee (“1420 Committee”); and

WHEREAS, each “1420 Committee” is comprised of representatives from the department, any local toll project entity for the area in which the project is located, the applicable metropolitan planning organization, and each municipality or county that provides revenue or right of way for the project; and

WHEREAS, the Texas Department of Transportation has promulgated §27.90, Purpose, §27.91, Definitions, and §27.92, Financial Terms, relating to Determination of Terms for Certain Toll Projects, under Title 43, Texas Administrative Code, Part 1 to implement Transportation Code, §228.013; and

WHEREAS, the 82nd Legislature also reaffirmed the Department’s use of comprehensive development agreements (CDAs) and identified the SH 288 toll road project in Harris and Brazoria Counties as an eligible CDA project; and

WHEREAS, on September 11, 2012, the Commissioner’s Court of Harris County formally waived its option to develop and implement the SH 288 toll road project in Harris County; and

WHEREAS, on April 26, 2012, the Texas Transportation Commission authorized the Department to exercise its option to develop and implement the SH 288 toll road project within Harris County; and

WHEREAS, on November 20, 2012, the Department formally requested the TPC appoint a representative to the SH 288 Toll Road 1420 Committee.

NOW, THEREFORE, BE IT RESOLVED BY THE TRANSPORTATION POLICY COUNCIL (TPC) FOR THE HOUSTON-GALVESTON TRANSPORTATION MANAGEMENT AREA THAT Matt Sebesta, Brazoria County BE APPOINTED TO THE SH 288 TOLL ROAD "1420 COMMITTEE".

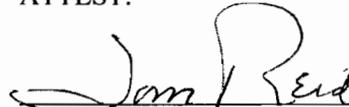
PASSED AND APPROVED this 25th day of January 2013, at a regularly called meeting of the Transportation Policy Council.

APPROVED:



Ed Emmett, Chairman
Transportation Policy Council

ATTEST:



Tom Reid, Secretary
Transportation Policy Council



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November 20, 2012

Mr. Alan C. Clark
Director of Transportation Planning
Houston-Galveston Area Council
P.O. Box 22777
Houston, Texas 77227-277

RE: SH 288 - SB 1420 Committee Members

Dear Mr. Clark:

The Texas Department of Transportation (TxDOT) is engaged in project development activities associated with the planned development of the SH 288 Toll Lanes Project in Harris County (the SH 288 Project). As part of the project development activities, TxDOT is evaluating different funding options that may include private investment. As per Section 228.013 of the Transportation Code, TxDOT must create a SB 1420 Committee (committee) composed of representatives from TxDOT, any local toll entity within the area the project traverses, the applicable metropolitan planning organization, and each city or county that provides funding or right-of-way for the SH 288 Project, if the project is to be developed under an agreement in which a private entity has a financial interest in the project's performance.

The purpose of this letter is to request that the Transportation Policy Council appoint one member to represent the H-GAC on the committee, as well as, provide a copy of the resolution or action authorizing this appointment.

Please note that on April 10, 2012, Harris County and TxDOT entered into a Memorandum of Understanding (MOU) regarding the development and construction of the SH 288 Project and the intention of Harris County to waive its option to develop, construct and operate the portion of the project in Harris County. In Minute Order 113075, dated April 26, 2012, the Texas Transportation Commission (Commission) authorized TxDOT to issue a Request for Qualifications (RFQ) to develop, design, construct, finance, maintain, and operate the SH 288 Project from US 59 to a logical terminus at or near the Brazoria County line. At its September 11, 2012 meeting, the Harris County Commissioners Court formally waived Harris County's option to develop the SH 288 project. As a result of these actions TxDOT is now moving forward with the development of the SH 288 Project.

Concurrently, Brazoria County is developing the SH 288 Project within Brazoria County, from the Brazoria County line to CR 58. At this time, expectations are such that the Harris County section and the Brazoria County section will achieve service commencement of a two-lane reversible toll lane system, the initial phase of the SH 288 project, at the same time.

The previously mentioned SB 1420 committee will meet as needed to discuss and evaluate financial analysis prepared by TxDOT. The committee will be requested to issue a report

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containing the committee's determinations regarding the distribution of the project's financial risk, the method of financing for the project, and, unless the project is subject to a regional tolling policy, the project's tolling structure and methodology. The committee's report will be used to determine the project's delivery method including the potential use of private financing. After formation of the committee, meeting dates and meeting agendas must be set. Committee meetings will be open to the public. TxDOT's rules require notices of all meetings be submitted to Office of the Secretary of State at least eight (8) days prior to the date of the meeting.

To facilitate the project schedule, TxDOT would like to issue an RFQ in the first quarter of 2013. TxDOT currently expects that the RFQ will request submittals of Statements of Qualifications from qualified teams interested in entering into an agreement, which may include private financing. Pursuing this procurement approach would make it necessary to convene the SB 1420 committee and obtain its report prior to the issuance of the RFQ.

The committee members should be appointed no later than December 7, 2012. This would allow the committee to hold multiple meetings, if necessary, to approve the required determinations at the earliest possible opportunity. In accordance with the TxDOT rules, the latest the committee's determinations may be made, and the report issued, is prior to the issuance of the Request for Proposals (RFP), which is tentatively scheduled for July 2013. Should the committee issue their report after the issuance of the RFQ, but before the RFP, TxDOT will issue an addendum to the RFQ describing any changes to the procurement.

TxDOT looks forward to working with H-GAC and the other stakeholders on the successful development, construction, and operation of the SH 288 project. Please send copies of the resolution or action authorizing this appointment to Eddie Sanchez at our Houston District office, which is located at 7721 Washington Avenue, Houston, Texas, 77007.

Thank you for your attention to this matter. If you have any questions regarding this matter, please feel free to contact me at (512) 305-9516 or Mike Alford at (713) 802-5000.

Sincerely,



Russell L. Zapalac, P.E.
Chief Planning & Project Officer
Texas Department of Transportation

cc: Edward P. Pensock, Jr., P.E., Director, Strategic Projects Division, TxDOT
Eddie Sanchez, P.E., Director, Houston Strategic Project Office, TxDOT
Rebecca Bronson, Office of General Counsel, TxDOT
Mike Alford, P.E., Houston District Engineer, TxDOT