

TEXAS TRANSPORTATION COMMISSION

CAMERON County

MINUTE ORDER

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PHARR District

In Minute Order 109788, dated September 30, 2004, the Texas Transportation Commission (commission) authorized the creation of the Cameron County Regional Mobility Authority (authority), with the boundaries of the authority to be the entire geographic area of Cameron County.

Minute Order 109788 further provided that the initial project to be developed, maintained, and operated by the authority would be a proposed 7.25-mile long toll road, known locally as West Loop. The West Loop project would consist of a four lane divided facility that would follow the current right of way of the Union Pacific Railroad beginning at US 77/83 and extend south to Palm Boulevard in the city of Brownsville. The project would provide an important north-south corridor and a reliever route for some of the noncommercial traffic, and would provide for improved access to the Brownsville central business district.

An additional project being pursued by the authority is the Second Causeway to South Padre Island. The Second Causeway would provide a much needed alternate route from the island to the mainland and would facilitate evacuation in the event of a hurricane.

Transportation Code, § 370.301 authorizes the Texas Department of Transportation (department) to provide for or contribute to the payment of costs of financial or engineering and traffic feasibility studies, and the design, financing, acquisition, construction, operation, or maintenance of a turnpike project or system by a regional mobility authority (RMA) on terms agreed to by the department and the RMA. Transportation Code, § 222.103 authorizes the department to participate, by spending money from any available source, in the cost of the acquisition, construction, maintenance, or operation of a toll facility of a public or private entity on terms and conditions established by the commission.

Pursuant to Transportation Code, § 222.103, the commission adopted toll equity rules as Title 43, Texas Administrative Code, §§ 27.50-27.58 to prescribe conditions for the commission's participation in the financing of a toll facility of a public or private entity.

In accordance with §§27.53 and 27.54 of the toll equity rules, the commission, in Minute Order 110509 dated April 27, 2006, granted preliminary approval of financial assistance in the amount of \$21.6 million in the form of a loan consisting of \$12.4 million for the West Loop project and \$9.2 million for the Second Causeway. The financial assistance would be used to further study and develop the projects to include environmental studies, traffic and revenue studies if needed, design and engineering services, legal and financial advisory services, marketing, and public education and outreach related activities. This would also include any direct or indirect project costs associated with these activities.

In accordance with §27.54 of the toll equity rules, the executive director has negotiated a financial assistance agreement with the authority that complies with the requirements of §27.55 of those rules, including provisions for the repayment of the financial assistance from toll revenue generated from the projects or revenue obtained by the authority under a comprehensive development agreement, or from the proceeds of bonds issued by the authority secured by revenues of the projects. The negotiated terms also provide that a default on this loan will result in an obligation of the authority to transfer all work product related to the projects to the department. The authority has complied with all other applicable requirements of the toll equity rules.

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As the financial assistance will be used to pay for the development of needed projects that will serve to relieve congestion in Cameron County by providing an important north-south corridor and reliever route for noncommercial traffic, by improving access to the city of Brownsville's central business district, and by providing an alternate route from South Padre Island to the mainland; and as the executive director has negotiated provisions relating to the disbursement and repayment of the financial assistance, the commission has determined that providing the financial assistance will prudently provide for the protection of public funds.

As the authority has committed to comply with all applicable environmental laws and to assume responsibility for identifying and securing all federal and state environmental permits and commitments necessary for the development of its projects, the commission has determined that the projects will provide for all reasonable and feasible measures to avoid, minimize, or mitigate adverse environmental impacts.

NOW, THEREFORE, IT IS DETERMINED that the request for financial assistance submitted by the Cameron County Regional Mobility Authority meets the requirements of 43 TAC §27.53 and §27.54 and, in accordance with those provisions, the commission grants final approval of the request for financing in the amount of \$21.6 million in the form of a loan consisting of \$12.4 million for the West Loop project and \$9.2 million for the Second Causeway project, and directs the executive director to enter into a financial assistance agreement with the Cameron County Regional Mobility Authority.

Submitted and reviewed by:

Recommended by:

Director, Texas Turnpike Authority Division

Executive Director

Minute Number Date Passed