

Public Hearing: Dallas County

May 7, 2009

**Bob Brown, P.E.
Deputy District Engineer**



Faster. Safer. Cleaner.



Public Hearing Purpose

- Describe project to be delivered through the New LBJ public-private partnership (PPP)



- Disclosure of project financial information and provide opportunity for public comment



How to Comment

Oral Comments may be made following the formal presentation at the microphone (3 minute limit) or directly to a court reporter (no time limit) at any time.

Written Comments may be made by completing a comment card at the Comment Station, by regular mail, or by e-mail.

Mail Comments to:

Mr. Gary Moonshower, P.E.
Texas Department of Transportation
P.O. Box 133067
Dallas, Texas 75313-3067

E-Mail Comments through:

Project Web Page: www.txdot.gov
Search keyword: **LBJ-635 Project**

**All comments must be received or postmarked on or before May 12, 2009.*



What is the History of LBJ?

LBJ Opens in 1969

- Design capacity 180,000 cars/day
- Demand initially low
- Capacity exceeded in 1980s
- Upgrade plans began 1987



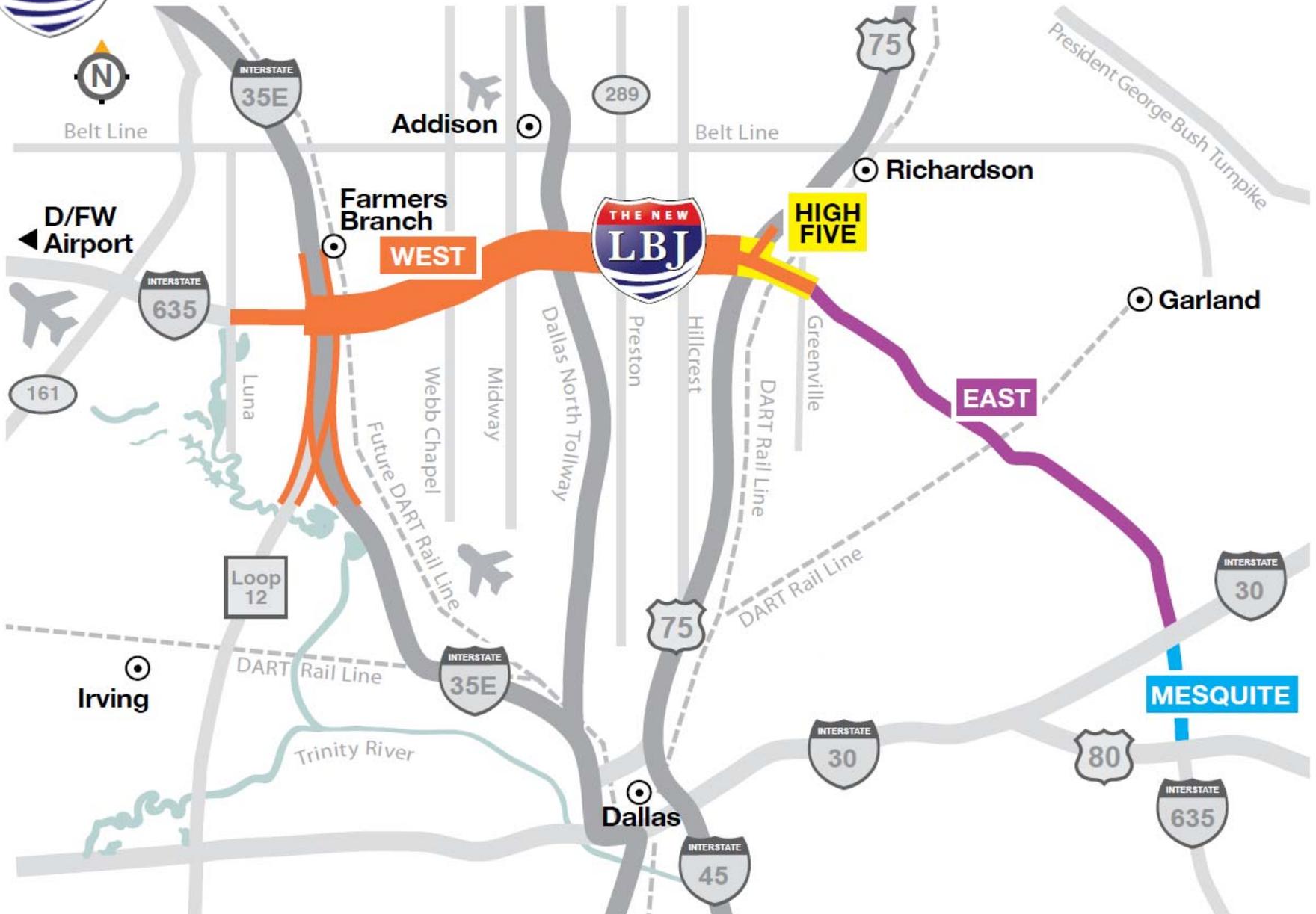
What is LBJ Like Today?

2009 Status

- 270,000+ cars/day
- Aging infrastructure
- Congestion much of the day
- Continued population growth



What is the New LBJ?





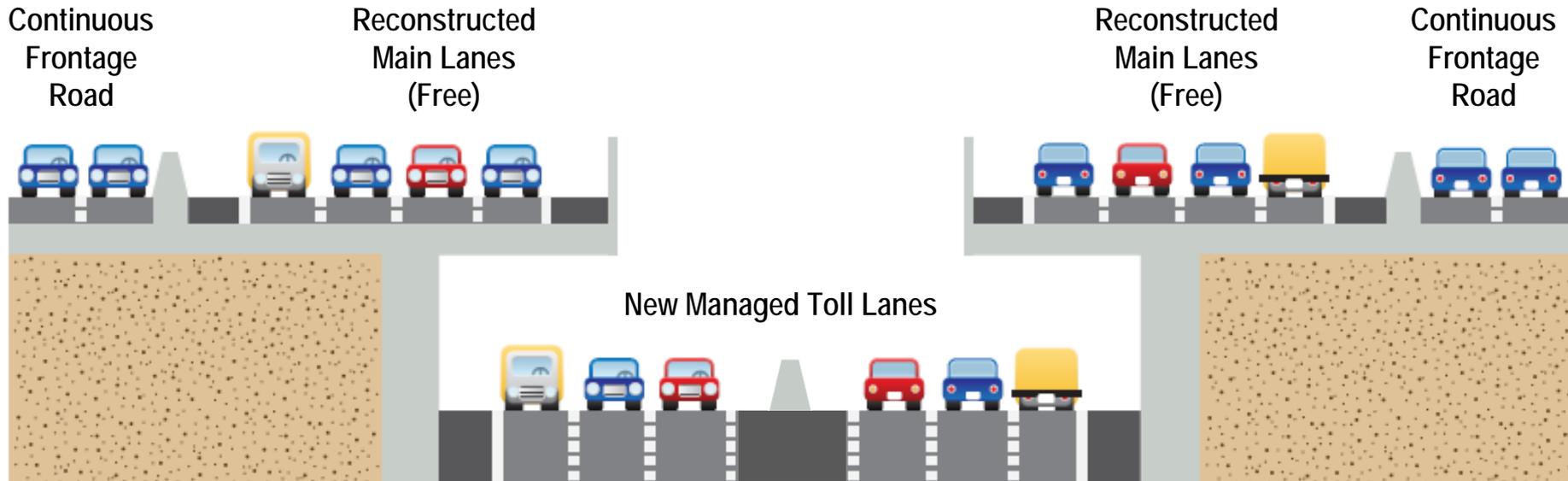
What are “Managed” Toll Lanes?

Managed toll lanes are lanes where traffic is kept moving at a **faster** more reliable speed (50+ mph) by **adjusting the toll rate** up and down as the **number of vehicles** increase or decrease respectively.



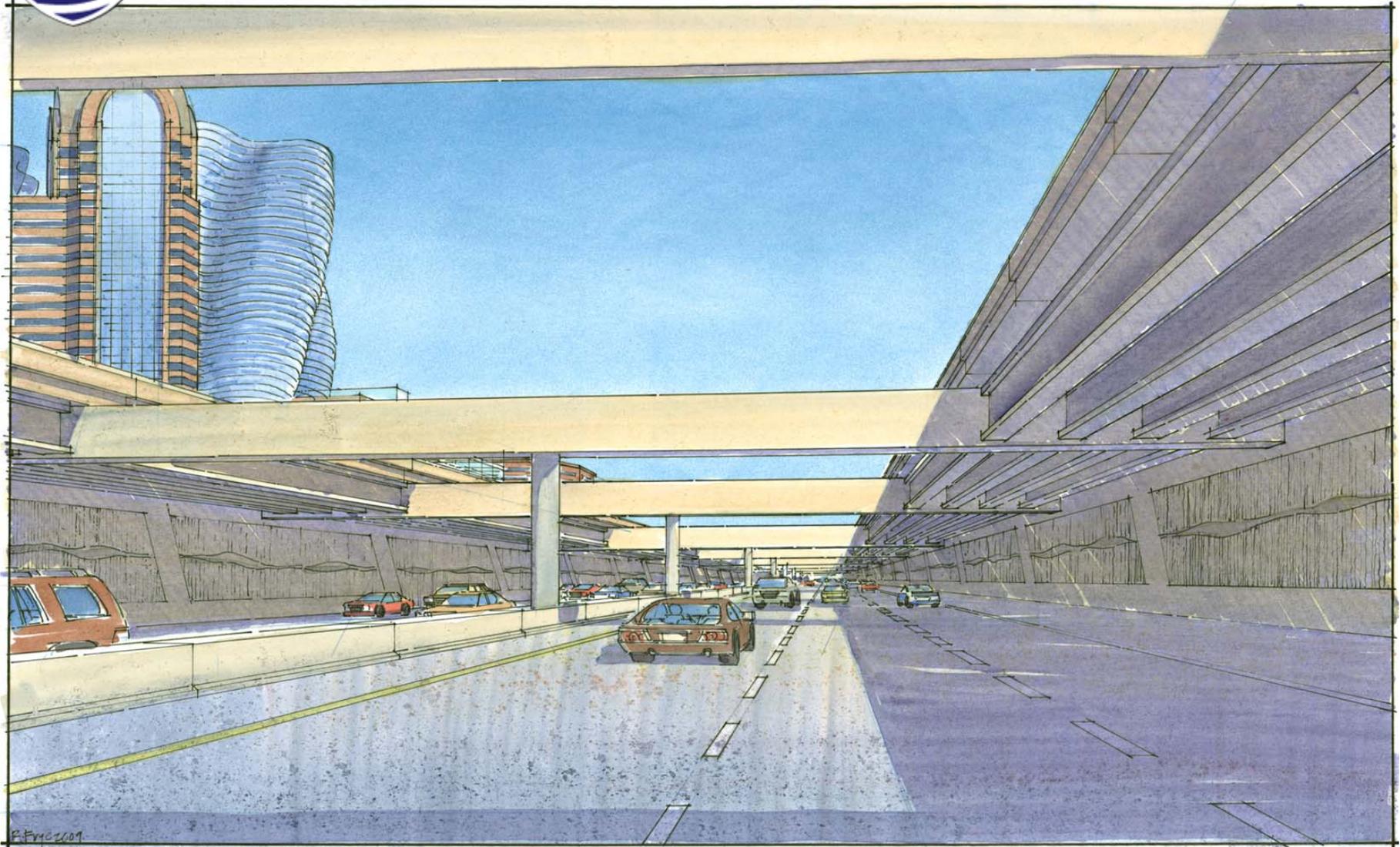
What Will LBJ Look Like?

- 8 reconstructed main lanes (free)
- 6 new managed toll lanes
- 2 and 3 lane continuous frontage roads





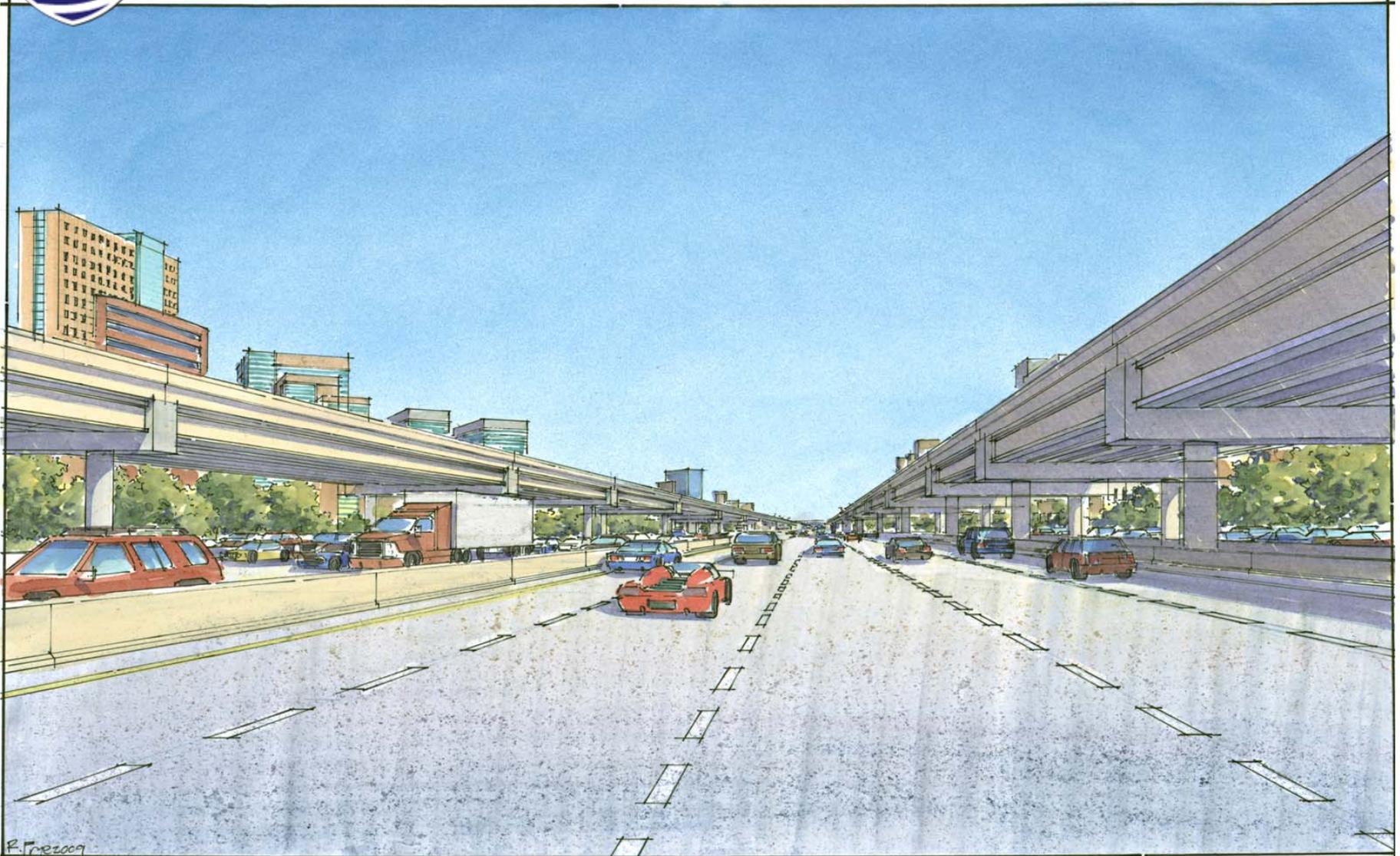
What Will LBJ Look Like?



Conceptual drawing: looking east on I-635 managed toll lanes at Dallas North Tollway



What Will I-35E Look Like?



Conceptual drawing: looking north on I-35E – raised managed toll lanes



How Will Construction Affect Traffic?

- Innovative strategies to maintain mobility
- Maintain 4 main lanes open in each direction during peak hours



- During construction, developer must:
 - Build the sound walls first
 - Maintain at least one lane open on frontage roads.





Comprehensive Development Agreement

- A public-private partnership to combine design, construction, maintenance, operation, and financing of a project into one contract
- Two-step competitive process utilized to select Best Value Proposer
- Request for Qualifications issued May 23, 2005:
 - 4 teams submitted responses
- Request for Proposals - TxDOT received two proposals on January 21, 2009 from two teams:
 - LBJ Infrastructure Group
 - LBJ Mobility Group
- Proposal merits assessed during a rigorous evaluation process



Comprehensive Development Agreement

- Texas Transportation Commission approved conditional award for the project on February 26, 2009 to LBJ Infrastructure Group
- The project will belong to the state throughout the contract period
- LBJ Infrastructure Group bears the risks associated with the project including cost overruns, financial, and traffic levels
- Taxpayers benefit by leveraging limited dollars to create improved mobility and air quality



LBJ Infrastructure Group

- Cintra U.S.
- Meridiam Infrastructure Finance
- Dallas Police & Fire Pension System
- Ferrovial Agroman
- W.W. Webber
- Bridgefarmer & Associates
- Macquarie Capital





Project Financing

- The total amount of debt assumed by LBJ Infrastructure Group is approximately \$1.6 billion
- Debt will be repaid from toll revenues over a 41 year term from the completion of construction
- The projected amount of interest that will be paid on the debt is approximately \$861 million (2009 \$) or \$2.4 billion over the contract term
- Managed lanes will continue to be tolled after debt has been repaid
- There are no upfront concession payments
- The contract provides for revenue generated above expectations to be shared with TxDOT



Tolling Policy

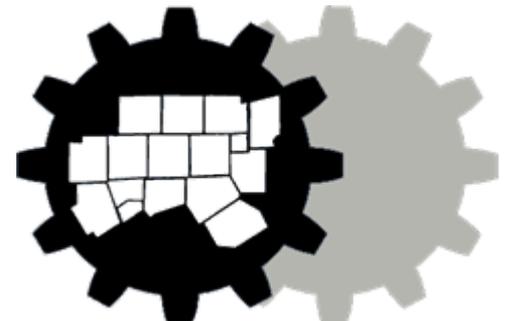
Based on Regional Transportation Council Managed Lane Policy

(adopted May 11, 2006, modified September 13, 2007)

- Maximum rate of \$0.75/mile for the first 180 days after opening
- After the first 180 days the toll rates will be based on user demand
- Toll rates can change as often as every five minutes
- Toll rates will adjust to maintain 50 mph minimum operating speed
- Transit agency buses do not have to pay tolls
- HOVs receive 50% discount during peak period

For more information on the Regional Transportation Council:

www.nctcog.org/trans/committees/rtc/





Projected Toll Rates

Under anticipated operating conditions the estimated cost in tolls to travel per mile in today's dollars are:

Projected Toll Rates (\$ per mile)	Opening Year (2015)	Final Year (2061)
High toll	\$0.53	\$2.36
Low toll	\$0.09	\$0.38



Competing Facilities Provisions

- TxDOT has the right to build any other facilities at any time
- TxDOT is not required to compensate the developer if any facilities outside the right of way (ROW) of the project, or if any other mode of transportation, such as rail, within the ROW are built
- If TxDOT builds additional main lanes within the ROW of the project:
 - And if such facilities reduce revenues or increase costs, TxDOT will compensate LBJ Infrastructure Group
 - And if such facilities increase revenues or decrease costs, LBJ Infrastructure Group will compensate TxDOT
- Currently, no such additional main lanes are planned



Termination Provisions

- TxDOT has the right to terminate the Comprehensive Development Agreement at any time with or without cause
- If LBJ Infrastructure Group is not in default and TxDOT elects to use this right, TxDOT must compensate the developer an amount based on various elements:
 - Outstanding debt balances
 - Forgone dividends plus a pre-established markup
 - Incidental costs
 - Cash balances
- Compensation amounts by TxDOT are capped at a pre-established level



Next Steps

- Public hearing comments
- TxDOT posts formal response to comments at www.txdot.gov
(Search keyword: LBJ-635 project)
- Review of Comprehensive Development Agreement by:
 - FHWA
 - Texas Attorney General
 - Texas Legislative Budget Board
- Sign and award Comprehensive Development Agreement by Spring 2009
- Begin design and construction 2010 – 2011



**For more information about the project,
the contract, and LBJ Infrastructure Group
proposal and technical drawings, visit:**

www.txdot.gov

Search keyword: LBJ-635 Project



Recess





Reconvene

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Public Comments

Speaker's Time Remaining:

0:00