



TEXAS DEPARTMENT OF TRANSPORTATION



FINANCIAL PUBLIC HEARING SH 183 MANAGED LANES PROJECT

24 June 2014

Holiday Inn DFW South

14320 Centre Station Drive, Fort Worth, TX 76155



Agenda

- **Welcome and Project Overview**

Brian Barth, P.E.

Forth Worth District Engineer

Texas Department of Transportation

- **Public Comments - Instructions**

- **Meeting Purpose**

- Description of SH 183 Managed Lanes Project
- Description of Financial Information
- Opportunity for Public Comment on Financial Information

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Public Comments - Instructions

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

- Mail written comments to:

Randall C. Redmond, P.E.
DFW SPO Program Director
Texas Department of Transportation
4777 Highway 80 East
Mesquite, Texas 75150

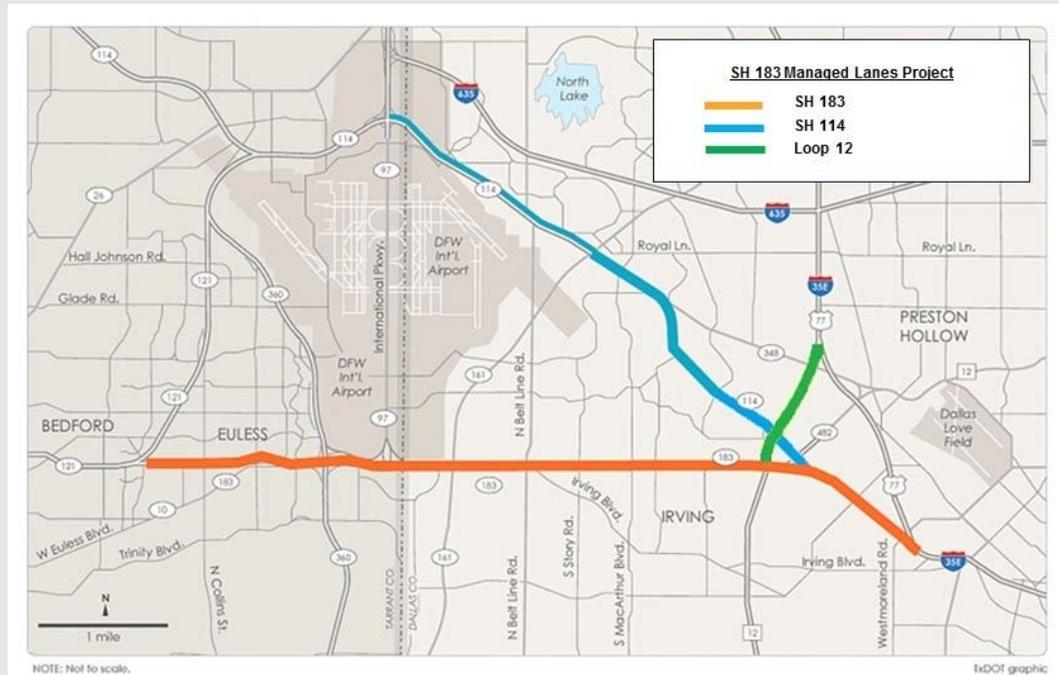
- Email written comments to asktxdot@txdot.gov with the subject line “SH 183”
- Written comments must be received at the TxDOT Dallas District Office by July 7, 2014
- Summary and analysis of comments will be posted TxDOT’s SH 183 Managed Lanes Project webpage at www.txdot.gov; search using keyword: “SH 183”

Public Hearing Purpose

- Describe the SH 183 Managed Lanes Project
- Describe Financial Information for the Project
- Provide an Opportunity for the Public to Comment on the Financial Information

Project Overview

- Design, Build, Finance, Operate and Maintain 27.8 miles of managed lanes
 - SH 183 from Industrial Blvd. to I-35E (14.8 mi)
 - Loop 12 from SH 183 to I-35E (2.5 mi)
 - SH 114 from SH 183 to International Parkway (10.5 mi)
- \$847.6M Available Public Funds
 - \$600M paid prior to Substantial Completion
 - \$247.6M paid over 5 years after Substantial Completion
- Routine and Lifecycle Operations and Maintenance (O&M) over 25 years, with handback requirements

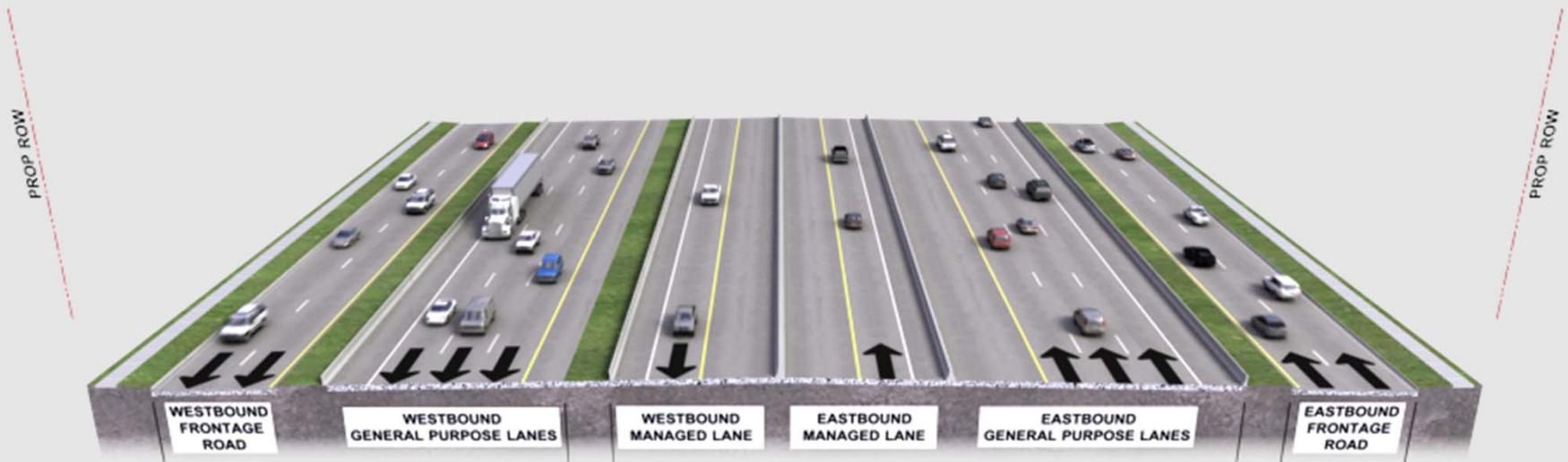


Project Purpose

- Increase capacity
- Manage traffic congestion
- Improve mobility
- Correct roadway deficiencies
- Establish revenue source for future mobility improvements



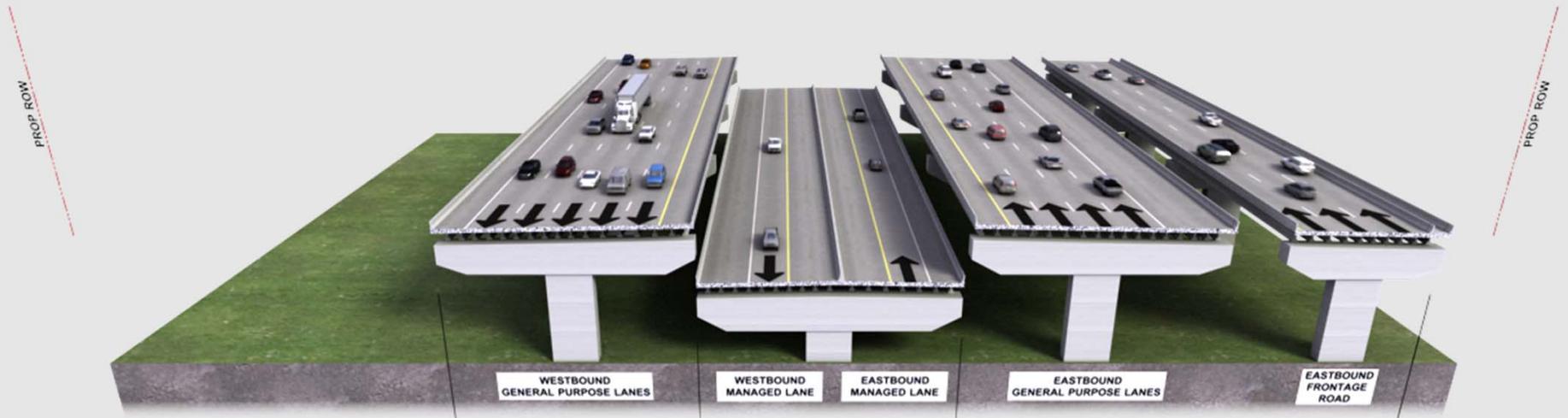
SH 183 Typical Configuration (Industrial Blvd. to Main St./Belt Line Rd. to I-35E)



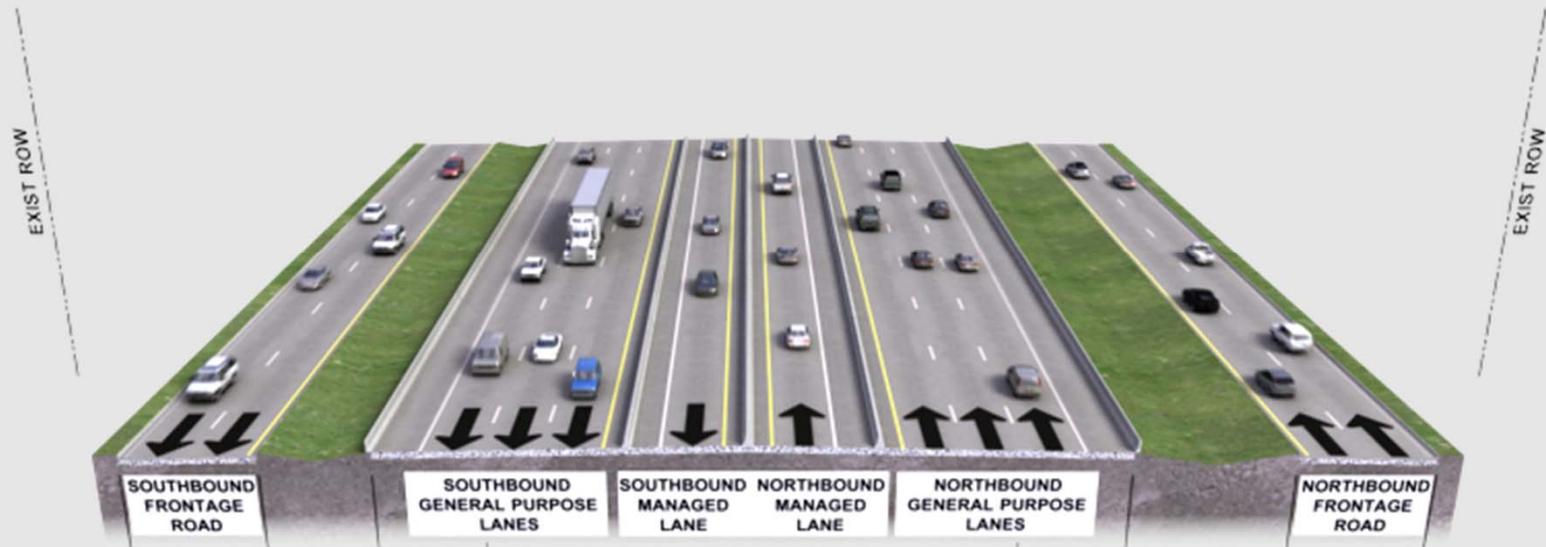
SH 183 Typical Configuration (Main St. to Belt Line Rd.)



SH 183 Typical Configuration (Elm Fork of the Trinity River)

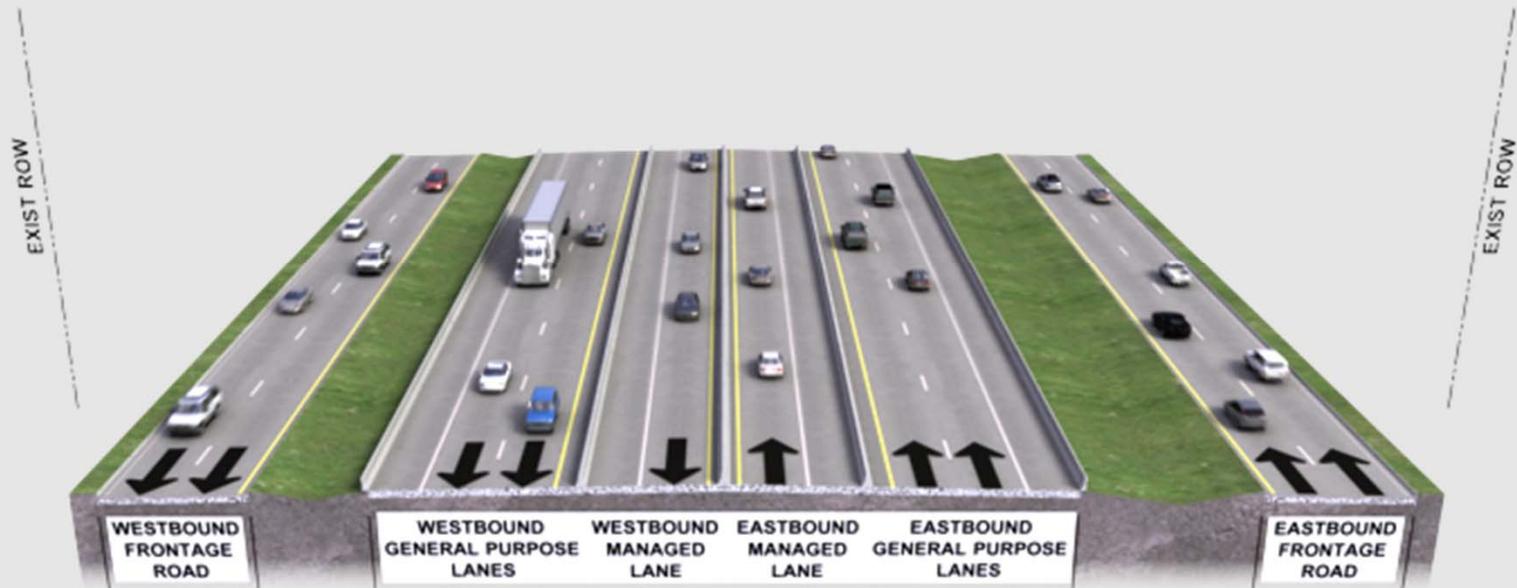


Loop 12 Typical Configuration (SH 183 to I-35E)



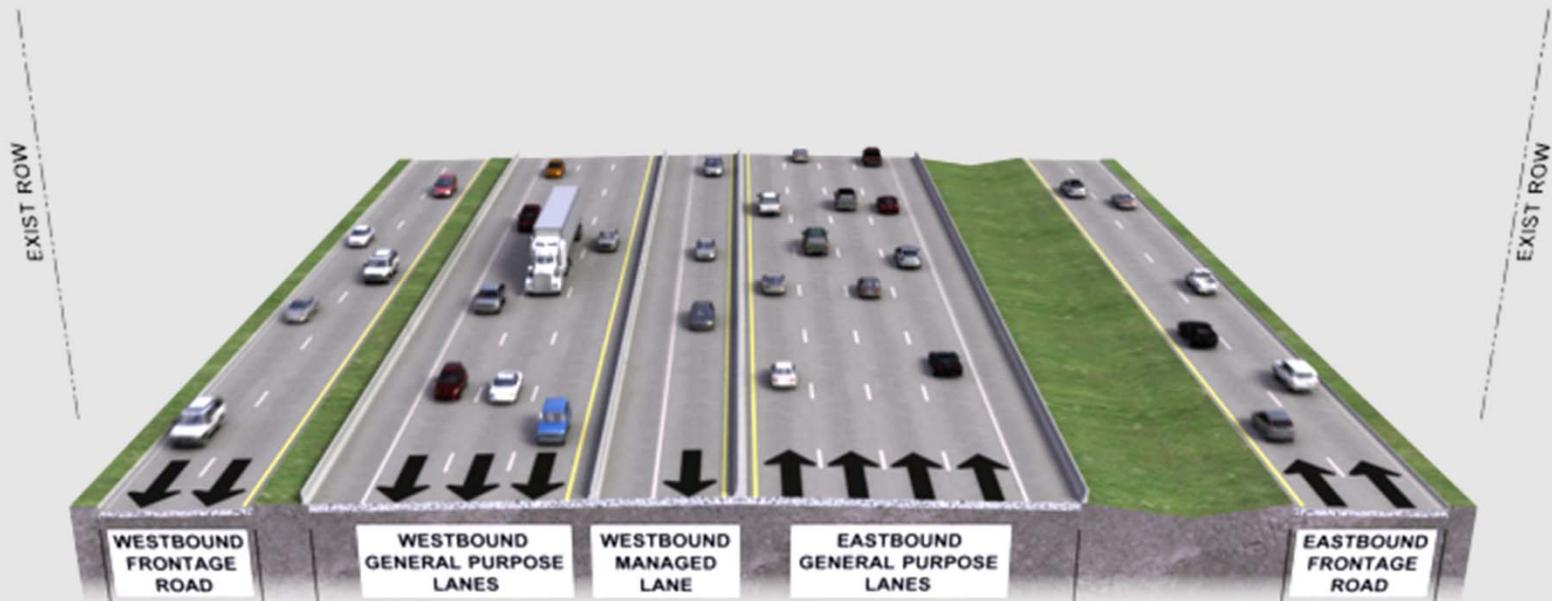
Note: Existing Frontage Roads to Remain in Place

SH 114 Typical Configuration (Rochelle Blvd. to SH 161)



Note: Existing Frontage Roads to Remain in Place

SH 114 Typical Configuration (SH 161 to International Pkwy)



Note: Existing Frontage Roads to Remain in Place

Environmental Status

- Finding of no significant impact (FONSI) issued by FHWA on all portions of the project
- All environmental re-evaluations completed April 2014

Procurement History

- Two-step competitive process was used to determine the best-value proposer
- Request for Qualifications (RFQ) Phase
 - February 20, 2013 – Issued RFQ
 - August 22, 2013 – Short-listed four proposers
- Request for Proposals (RFP) Phase
 - November 7, 2013 – Issued final Request for Proposals (RFP)
 - April 14, 2014 – Received three proposals
 - May 29, 2014 – Recommended Conditional Award to SouthGate Mobility Partners
- SouthGate Mobility Partners Submitted Contract Costs
 - Design & Construction Costs (excluding ROW costs): \$847.6 million (year-of-expenditure dollars)
 - 25 year O&M term with Handback: \$171.8 million (present value of maintenance payments)
 - Project completed in 1,260 days (3.5 years)

Developer Team Members

SouthGate Mobility Partners

Equity Owner: Kiewit Development Company
Kiewit Infrastructure South Co.

Major Non-equity Members and other team members*:

- ARS Engineers Inc.
- Austin Bridge & Road LP
- Burgess Engineering and Testing Inc.
- Corsair Consulting LLC
- CP&Y Inc.
- Kiewit Infrastructure Group Inc.
- Kiewit Infrastructure South Co.
- Lamb-Star Engineering LP
- Infrastructure Corporation of America
- Innovative Engineering Associates Inc.
- Parsons Transportation Group
- Plenary Group USA
- SouthGate Constructors JV
- The Transtec Group

**alphabetical order*

Project Financing

- TxDOT does not currently intend to issue project debt to fund any portion of the total Project Cost
 - Anticipated funding sources include, but are not limited to:
 - Category 12 Strategic Priority Funds = \$600 million
 - Other State, Federal or local funds = \$247.6 million

- The \$847.6 million design and construction (D&C) price is payable as follows:
 - First \$600 million of work performed is paid as progress payments
 - The remaining \$247.6 million will be paid in four annual payment of \$50 million and one final annual payment of \$47.6 million starting one year after scheduled substantial completion

Types of Lanes on a Highway

Frontage Roads

- Serves local trips
- Will have stop-controls or signals at intersections
- No demand-management

General Purpose Lanes

- Sub-regional or corridor trips
- Non-tolled freeway lanes, open to all users with access (ramps) at major cross roads
- No demand-management

Managed Lanes

- Sub-regional or corridor trips
- Access-controlled lanes
- Demand-management, such as toll rates and occupancy, in place

Demand Management

- Operational strategies, including pricing, are proactively implemented and managed in response to traffic conditions.

Source: NCTCOG

Managed Lanes

- Demand is managed by dynamic pricing
- Purpose of managed lanes
 - Provide additional capacity
 - Increase travel efficiency
 - Reduce congestion
 - Travel time reliability
 - Provide for operational flexibility in response to changing corridor needs

Source: NCTCOG

Regional Transportation Council – Managed Lane Policy

- The first 6 months of operation will be fixed-fee, at a maximum of \$0.75 per mile
 - The established rate will be evaluated and adjusted if needed at least monthly, with RTC approval.

- Dynamic pricing applies after the 6 month fixed fee period.
 - Market-based tolls will apply
 - Peak (rush) hour/high demand times will have higher toll rates
 - Off-peak/low demand times will experience lower toll rates
 - The toll rate will be capped during the dynamic price phase unless performance deteriorates when a controlled rate increase will be temporarily allowed
 - Transit vehicles will not pay tolls
 - Single and two-occupant vehicles will pay the full rate
 - Trucks will be allowed to use the managed lanes and will pay a higher rate

- Intent is to maintain a minimum average corridor speed of 50 mph

- The complete policy is available online at:
<http://www.nctcog.org/TRANS/committees/rtc/>

Source: NCTCOG

Estimated Toll Rates

- Under expected operating conditions, the anticipated toll rates are:

Price per Mile	2019 (in today's \$)	2043 (in today's \$)
High	\$0.46	\$0.57
Low	\$0.05	\$0.06

Contractual Provisions

▪ **Competing Facilities**

- There are no terms in the Development Agreement related to competing facilities and there are no penalties associated with their construction
- Any other transportation facilities may be built at any time by any entity including TxDOT

▪ **Termination for Convenience**

- TxDOT has the right to terminate the Agreement at any time without cause. If TxDOT elects to exercise this right:
 - TxDOT must pay Developer for any work already performed not to exceed certain limits under the agreement-plus certain costs for terminating subcontracts, net charges and premiums for any early payments of the deferred D&C Price and certain other costs related to termination.
 - Additionally, starting five years after the Project is substantially complete, TxDOT must pay Developer an amount equal to 6% of the annual O&M payment for the next five years after the year of termination

Next Steps

- TxDOT is in negotiations with SouthGate Mobility Partners
- Finalize Contract
- Contract Review by:
 - FHWA
 - State of Texas Attorney General
 - Texas Legislative Budget Board
- Notice to Proceed is expected in Fall 2014
- Construction expected to begin in early 2015
- Substantial Completion expected in early to mid-2018

For more information

- For more information about the project, visit www.txdot.gov and use search keyword “SH 183”

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