

SH 121 – Case Study

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TxDOT - Dallas*





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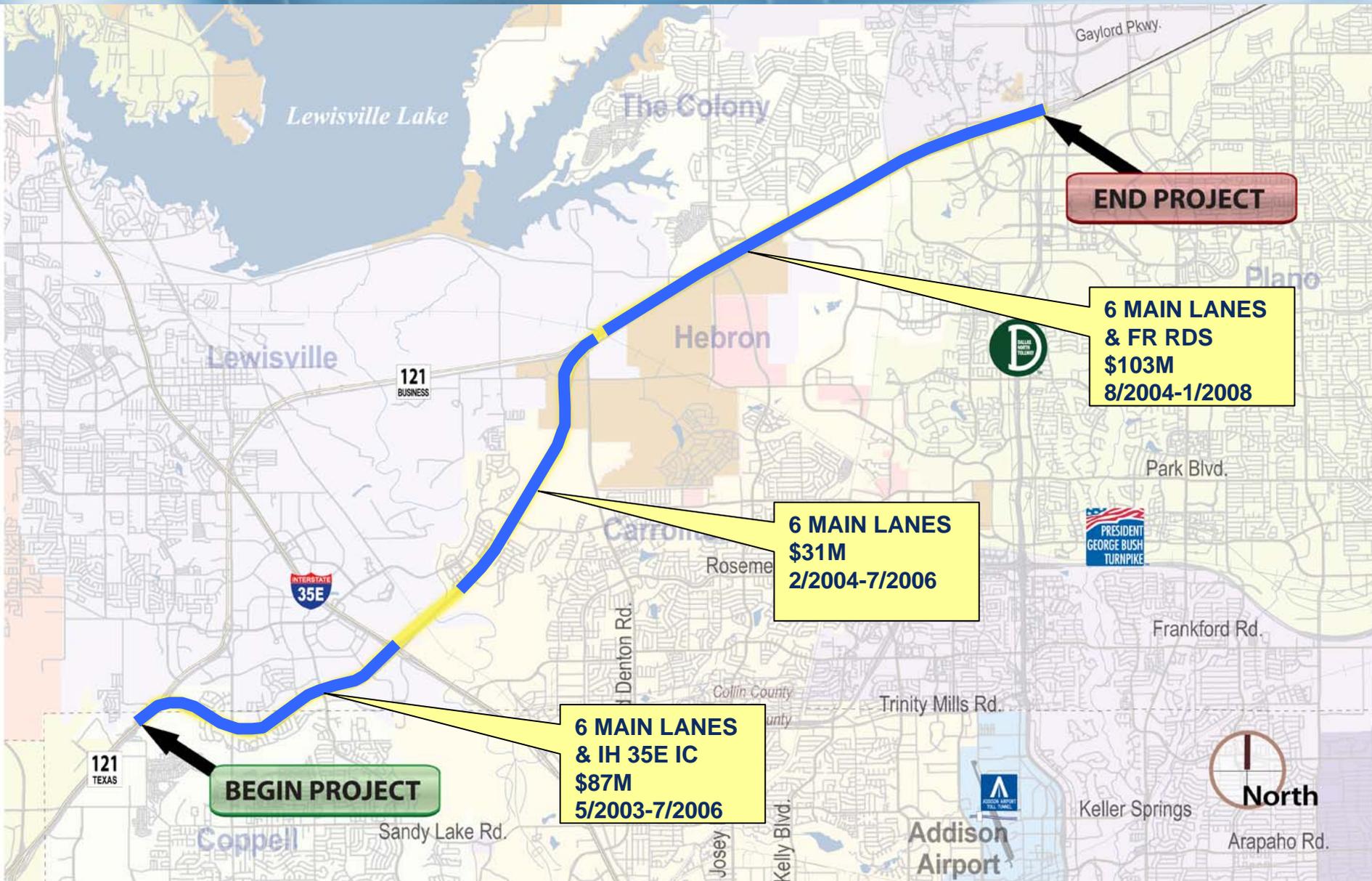
Major Issues in the D-FW Region

- Traditional financial resources are not sufficient to achieve congestion reduction
- D-FW region total transportation needs will be \$115 billion by 2030
- Congestion costs region \$6.7 billion annually; anticipated to be \$11.5 billion annually by 2025 under current funding
- \$55 billion funding gap (2004 TMMP)
- \$70 billion funding gap (2006 TMMP)

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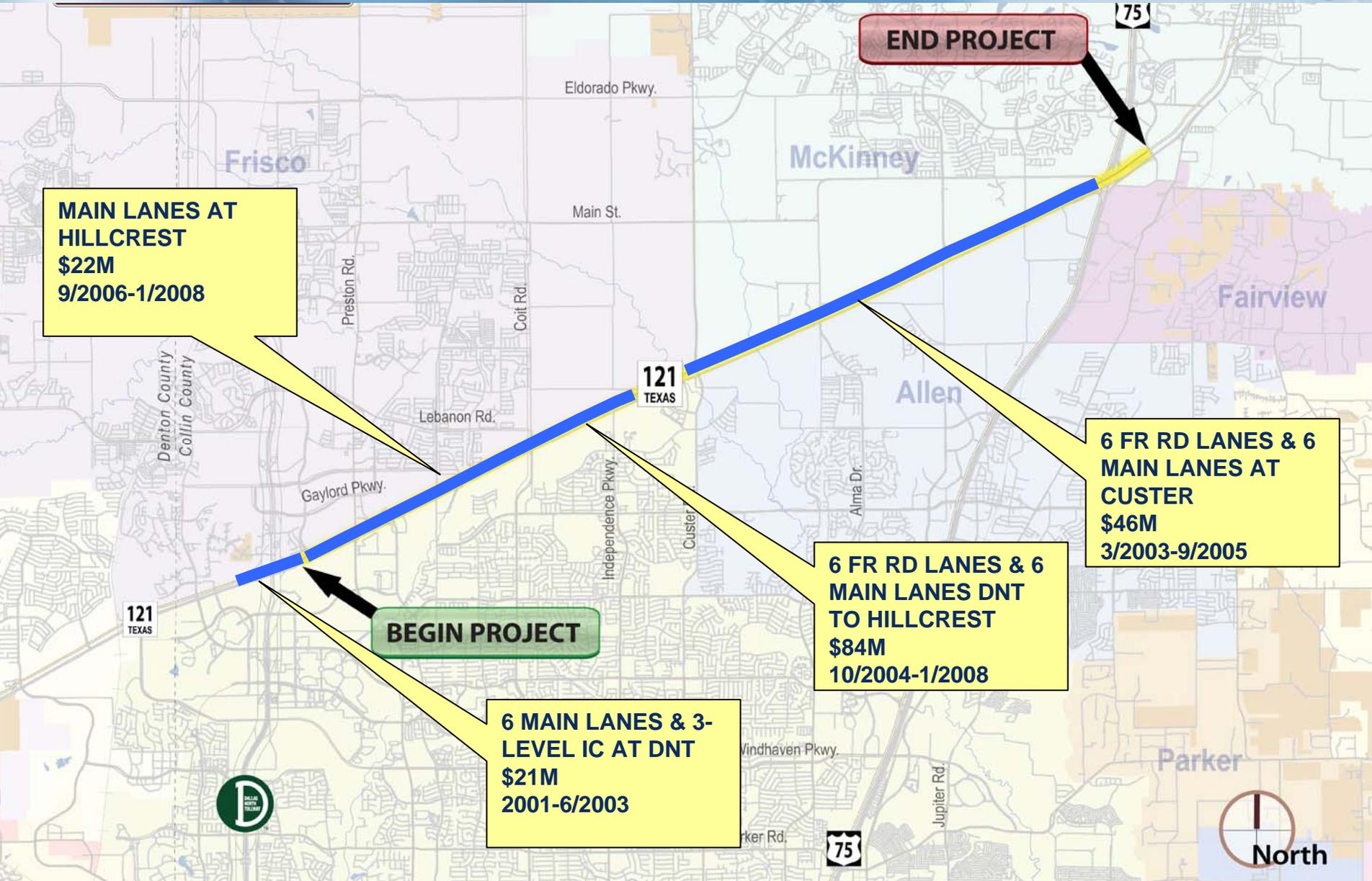


SH 121 – Denton County Construction





SH 121 – Collin County Construction



END PROJECT

MAIN LANES AT HILLCREST
\$22M
9/2006-1/2008

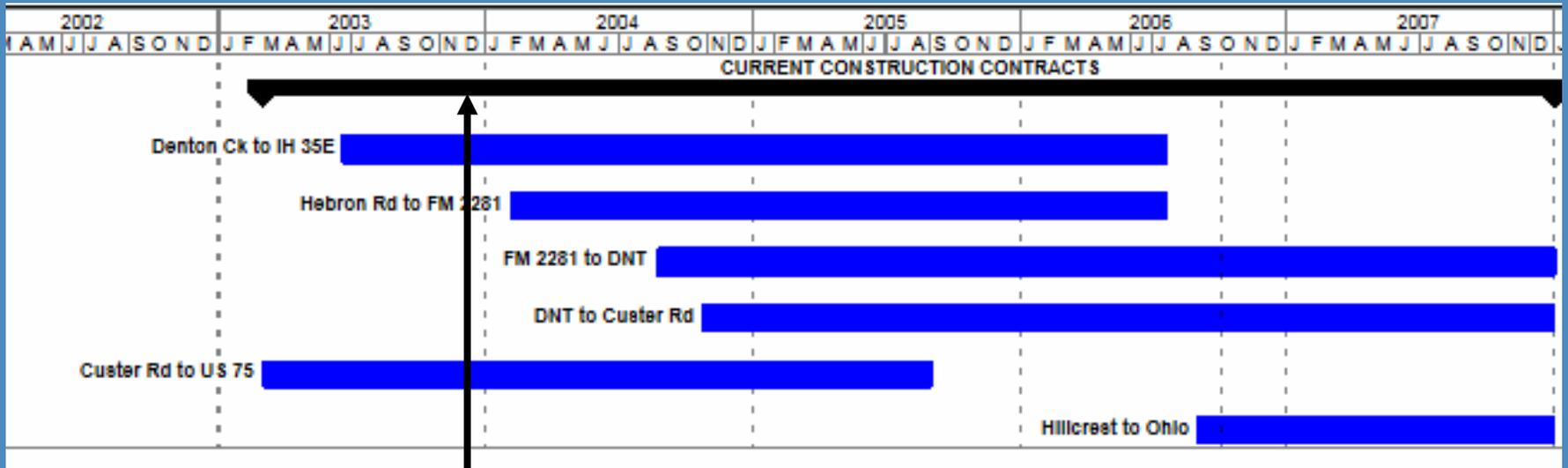
6 FR RD LANES & 6 MAIN LANES AT CUSTER
\$46M
3/2003-9/2005

6 FR RD LANES & 6 MAIN LANES DNT TO HILLCREST
\$84M
10/2004-1/2008

BEGIN PROJECT

6 MAIN LANES & 3-LEVEL IC AT DNT
\$21M
2001-6/2003





Minute Order 109519



TTC December 18, 2003 - Minute Order 109519:

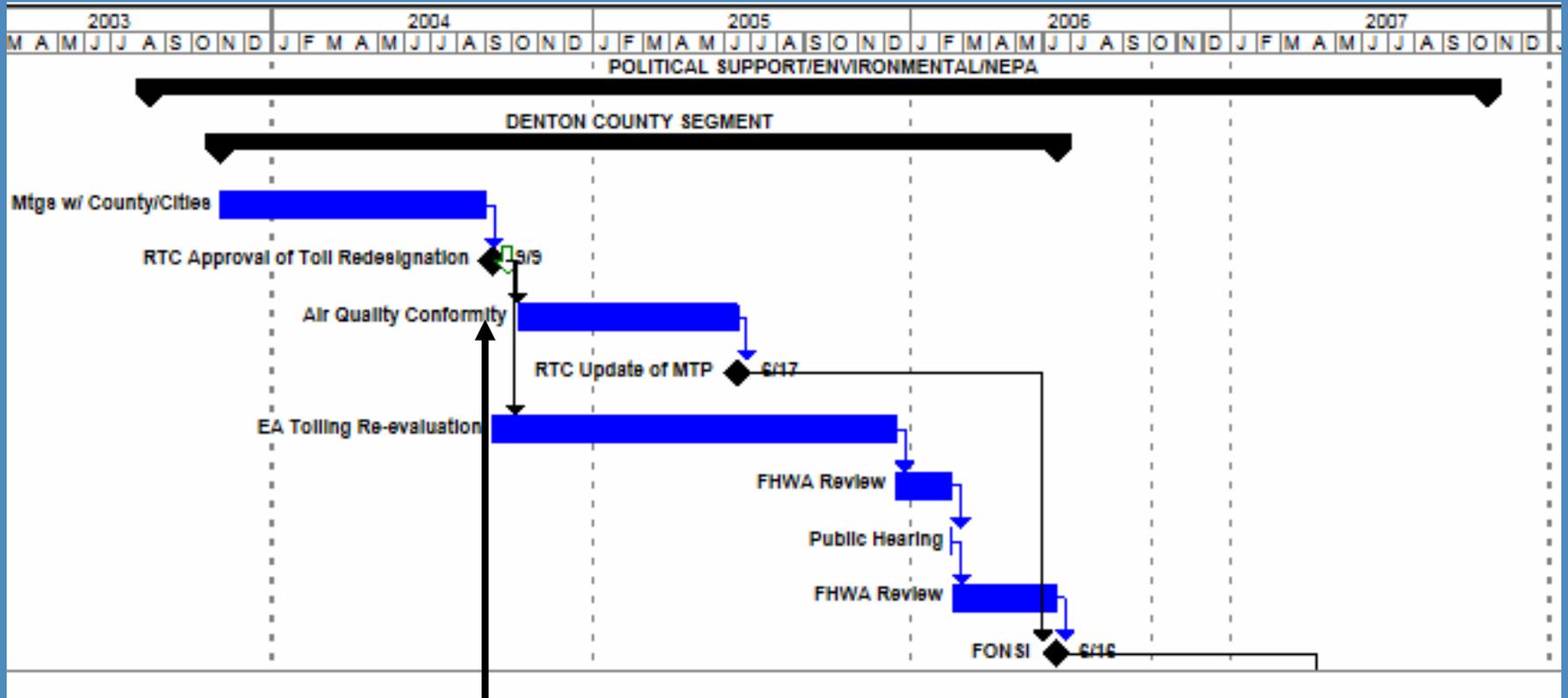
“Controlled-access mobility projects in any phase of development or construction must be evaluated for tolling. This includes new location facilities and increased capacity projects such as adding additional main lanes or constructing new main lanes.”



TTC December 18, 2003 - Minute Order 109519:

“revenue generated by tolling that is not needed for debt service, operation or maintenance of the toll road should remain in the local area in which the project is located so other transportation facilities may be constructed.”

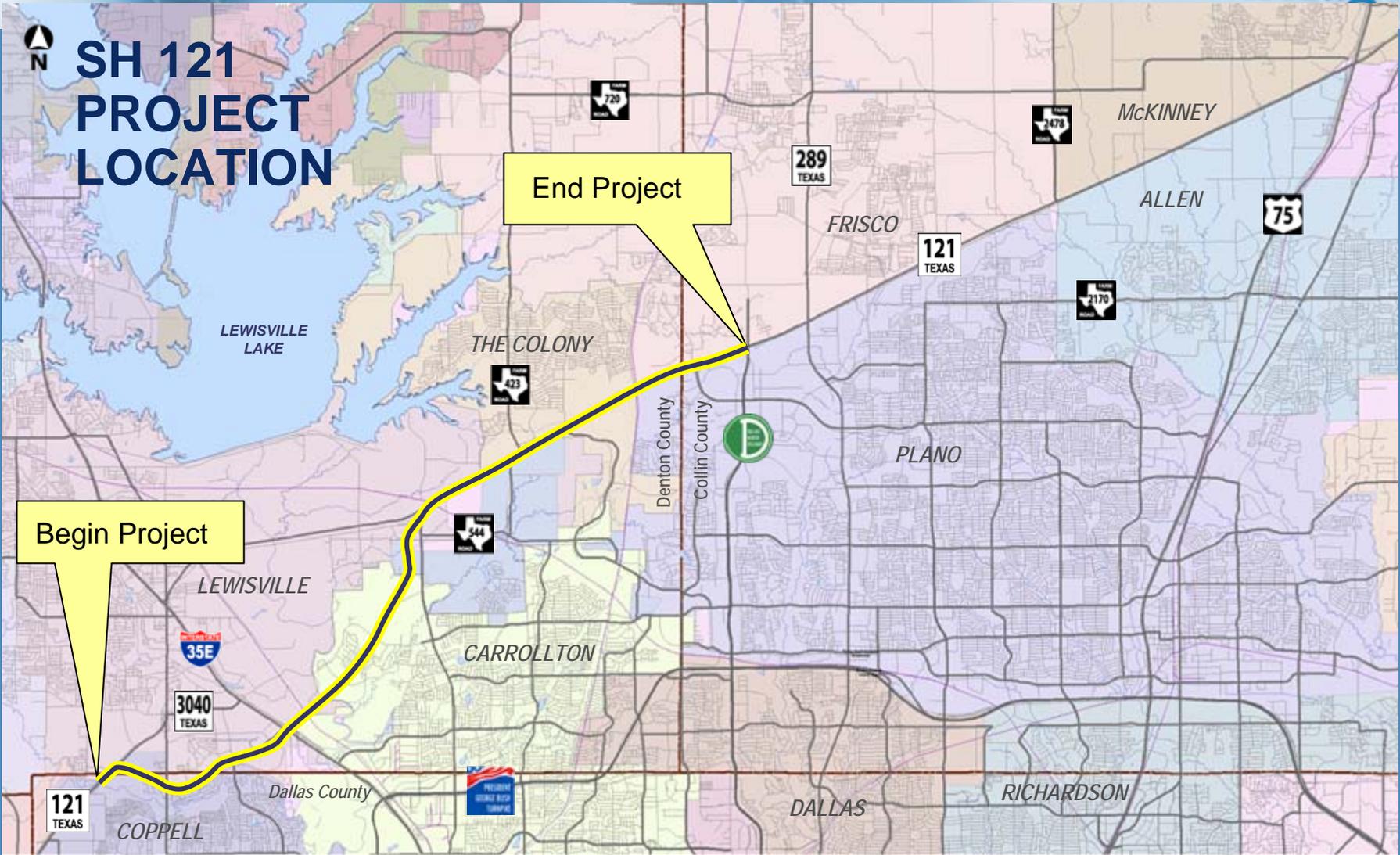




2005 UTP – Projects Due

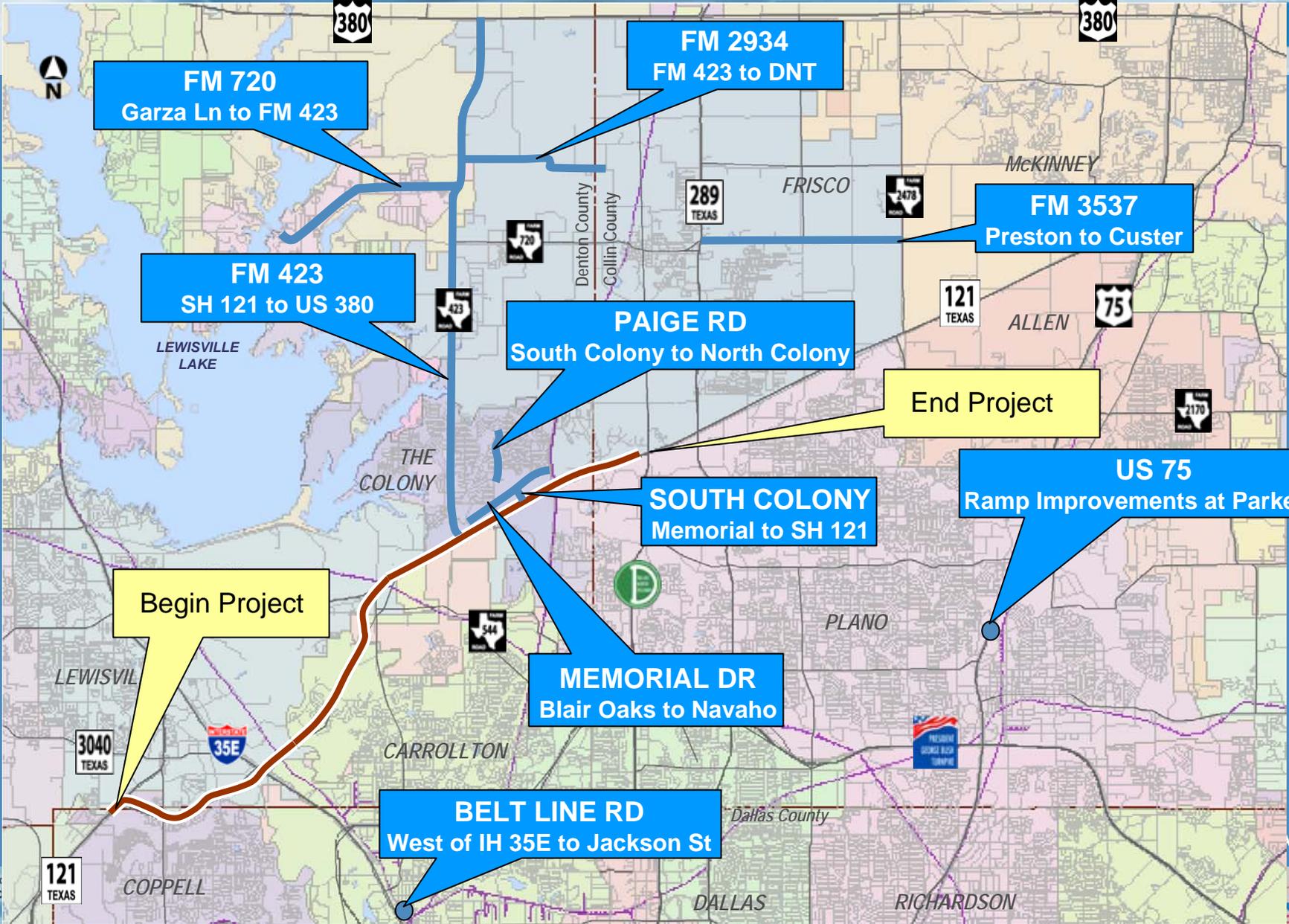


SH 121 PROJECT LOCATION





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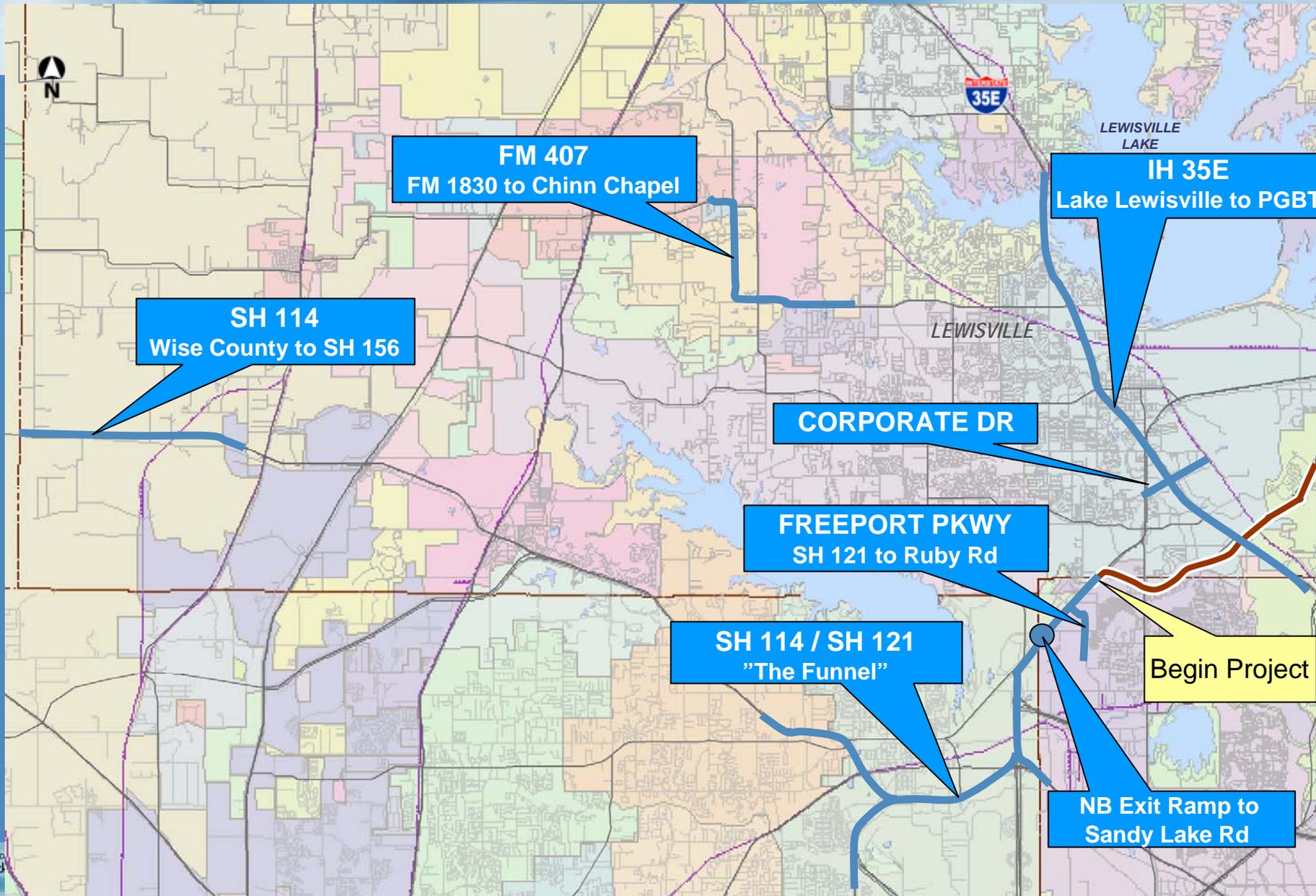


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TexasTollways

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Begin Project

FM 407
FM 1830 to Chinn Chapel

SH 114
Wise County to SH 156

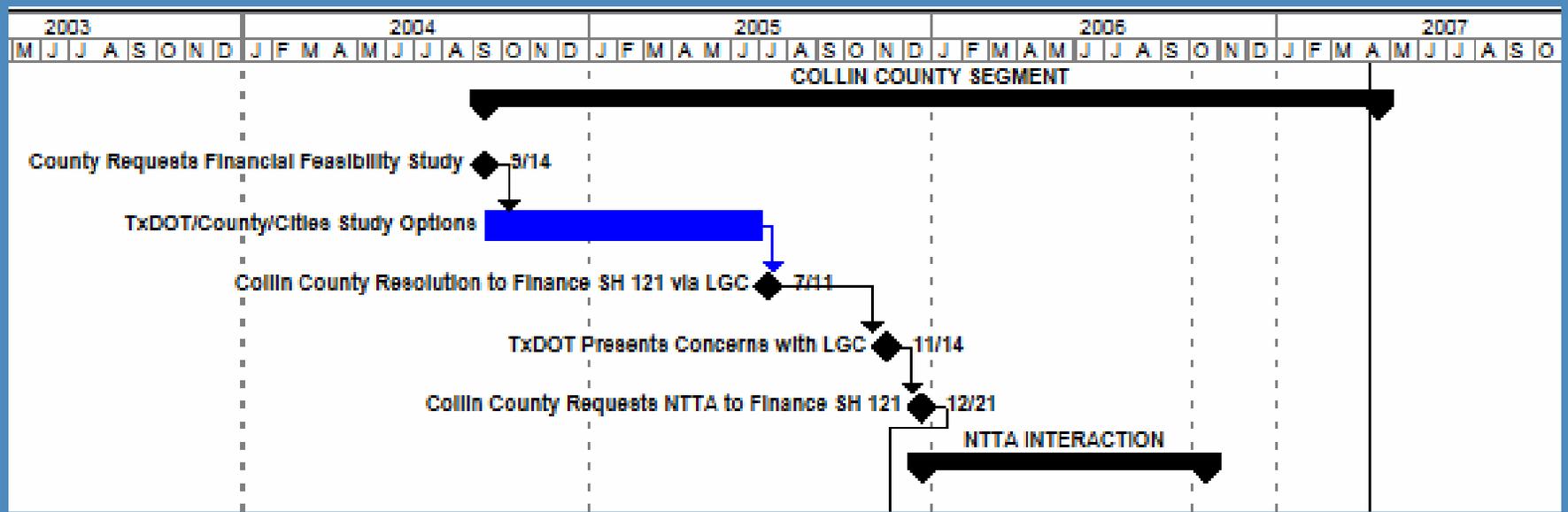
IH 35E
Lake Lewisville to PGBT

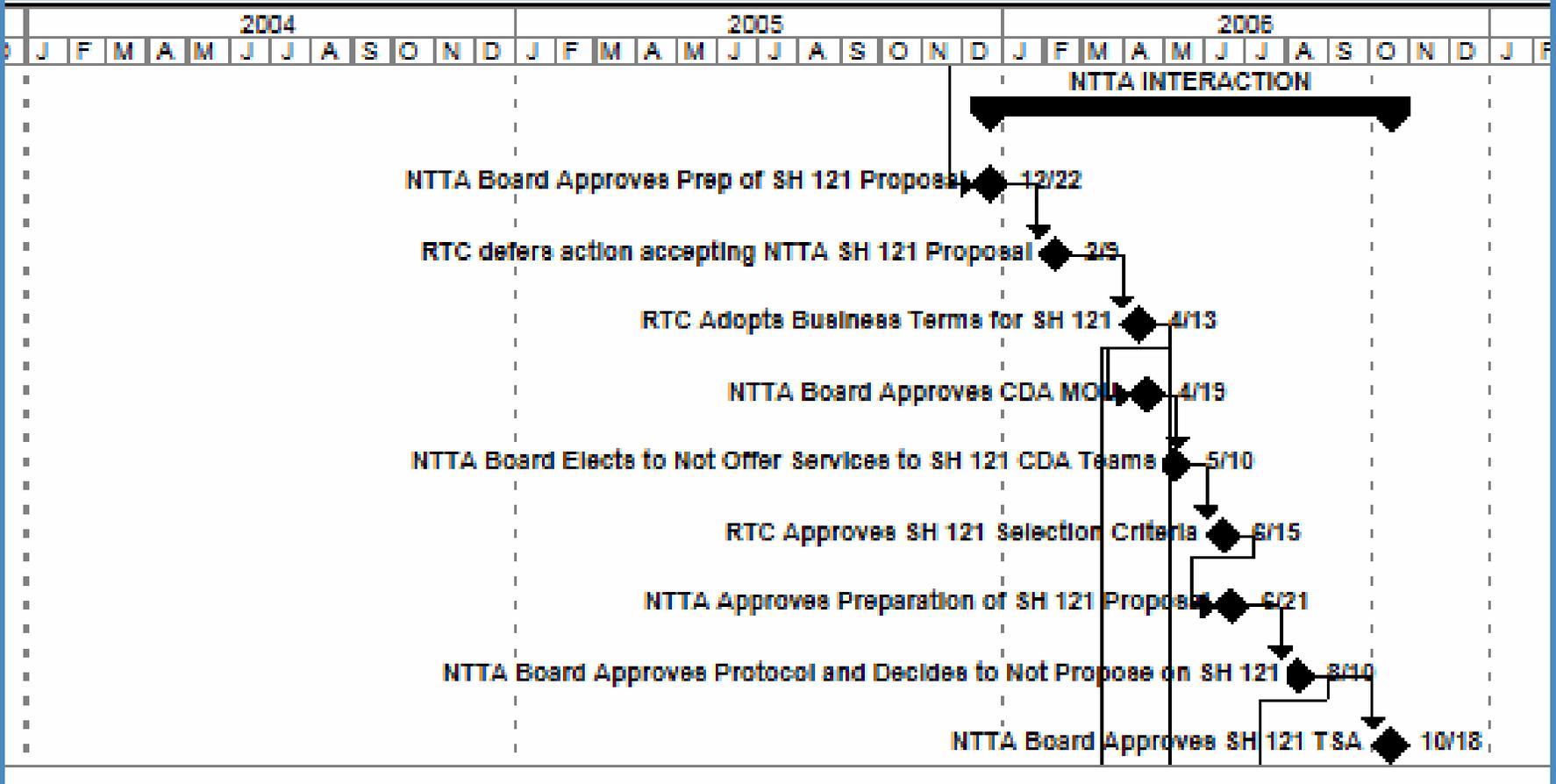
CORPORATE DR

FREEPORT PKWY
SH 121 to Ruby Rd

SH 114 / SH 121
"The Funnel"

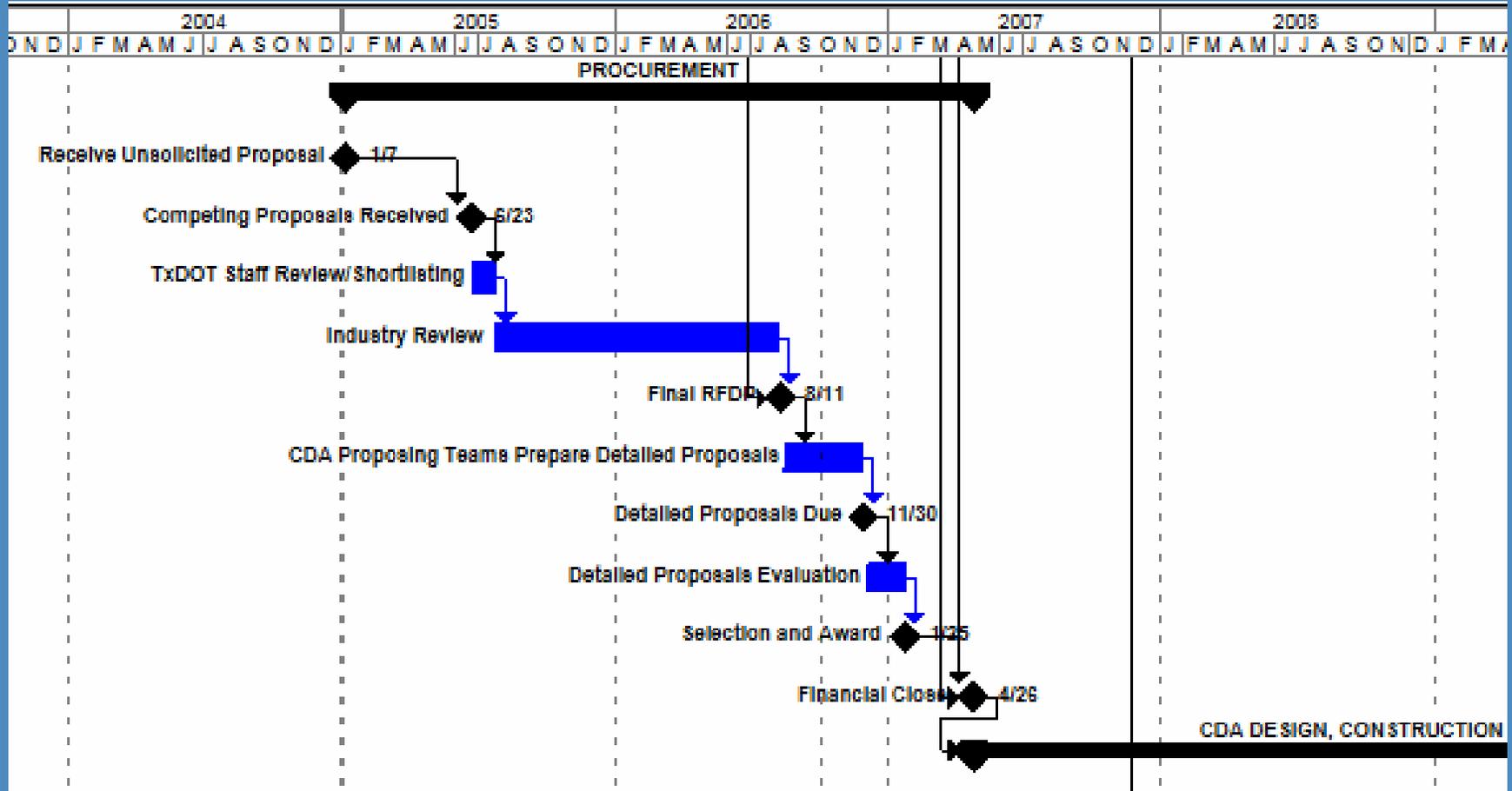
NB Exit Ramp to Sandy Lake Rd





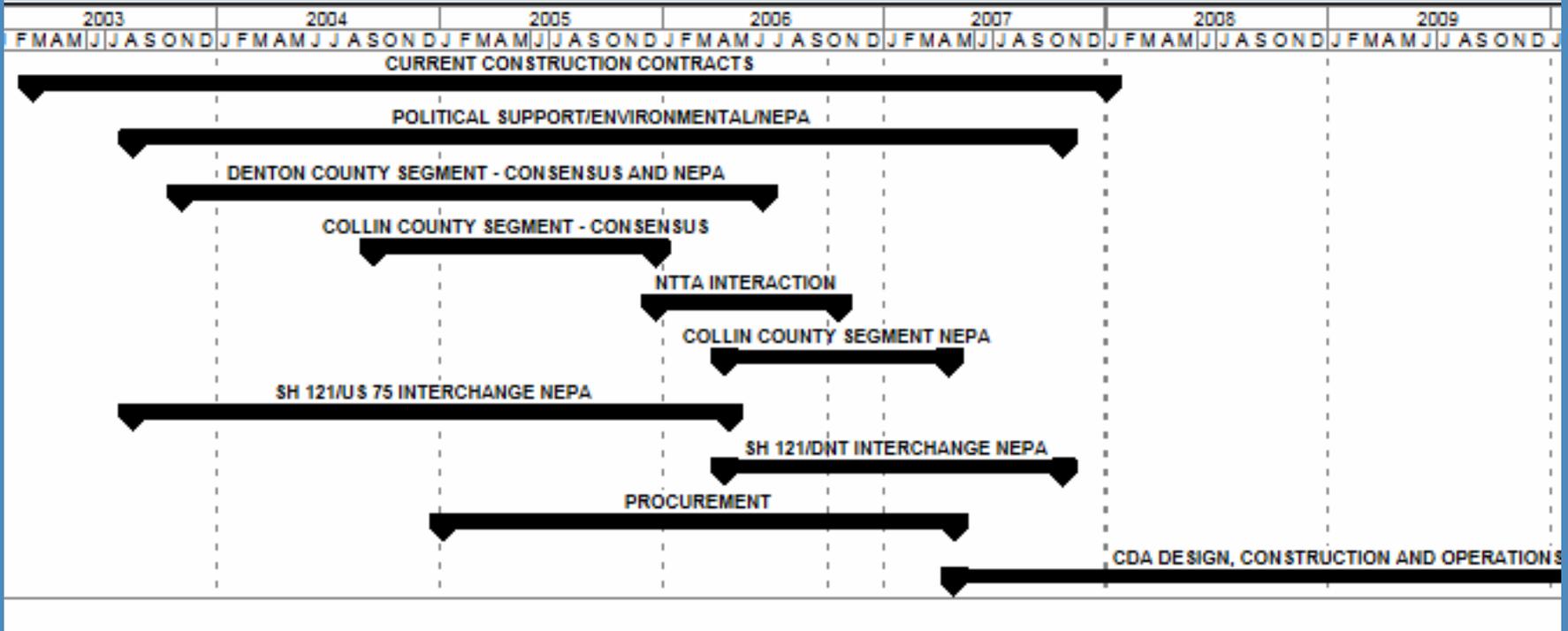
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Scope of the CDA

- Denton and Collin County Combined
- Complete Main Lanes from Hillcrest to US 75
- Construct SH 121/US 75 5-Level Interchange
- Construct SH 121/DNT Direct Connections
- Construct Electronic Toll Collection System
- Construct Additional Sound Barrier Walls
- O&M from ROW to ROW





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SH 121 – Denton County: CDA Scope

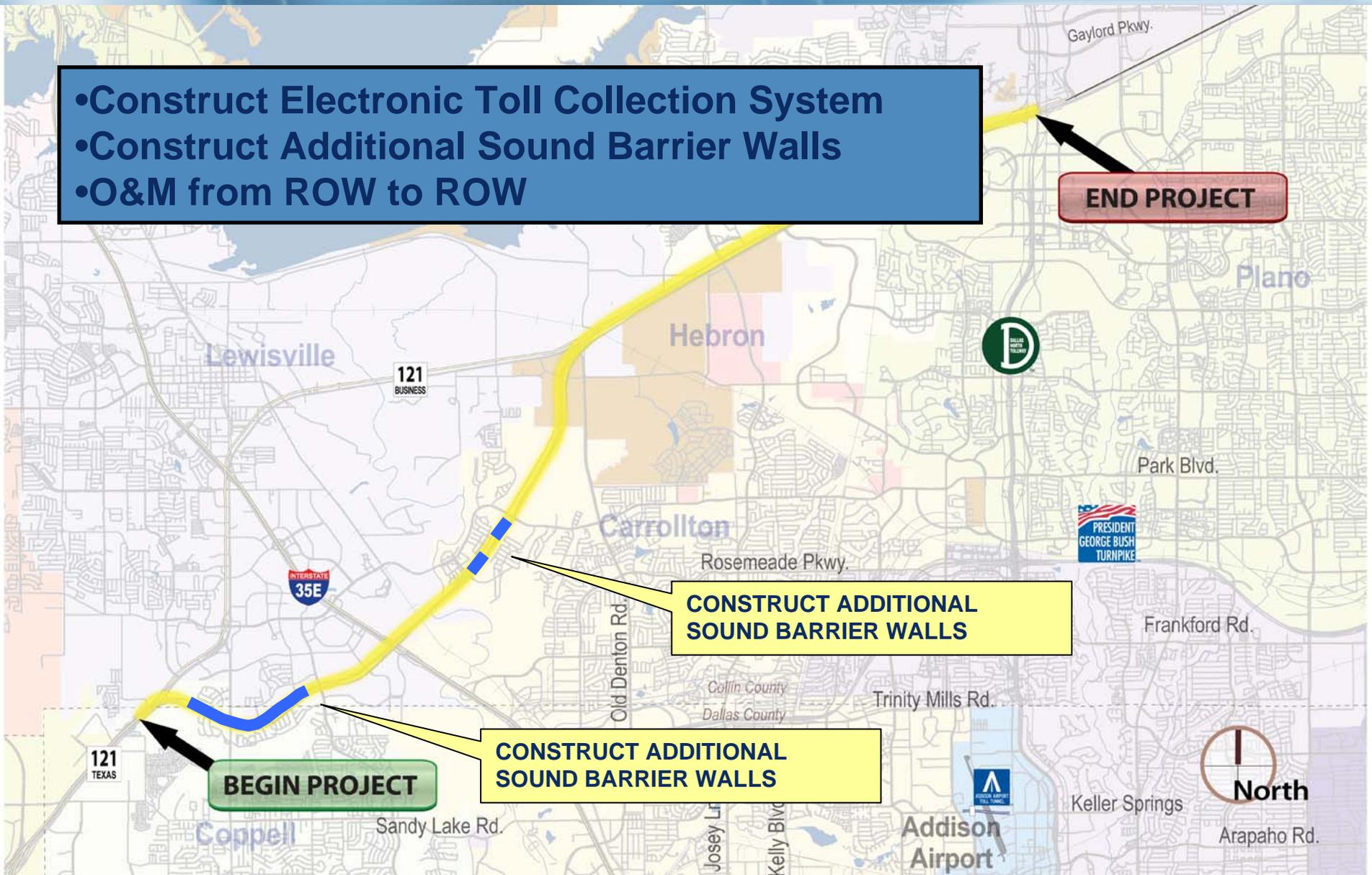
- Construct Electronic Toll Collection System
- Construct Additional Sound Barrier Walls
- O&M from ROW to ROW

END PROJECT

**CONSTRUCT ADDITIONAL
SOUND BARRIER WALLS**

**CONSTRUCT ADDITIONAL
SOUND BARRIER WALLS**

BEGIN PROJECT





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SH 121 – Collin County: CDA Scope

- Complete Main Lanes from Hillcrest to US 75
- Construct SH 121/US 75 5-Level Interchange
- Construct SH 121/DNT Direct Connections
- Construct Electronic Toll Collection System
- O&M from ROW to ROW

END PROJECT

CONSTRUCT
5 LEVEL INTERCHANGE
AT US 75

CONSTRUCT
6 MAIN LANES
HILLCREST TO US 75

BEGIN PROJECT

CONSTRUCT DIRECT
CONNECTIONS
AT DNT IC





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Business Terms Adopted by the RTC

- Maximum weekday peak period toll rate in 2010 is 17 cents/mile. The weekday peak period is currently defined as 6:30 a.m. to 9:00 a.m. and 3:00 p.m. to 6:00 p.m. The RTC would need to approve any changes to this definition.
- The maximum off-peak toll rate is 12.5 cents/mile in 2010. The off-peak period is defined as the period outside of the weekday peak period.
- These peak and off-peak rates will average approximately 14.5 cents/mile.

*Business Terms for TxDOT-Sponsored Toll Roads on State Highways

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Business Terms Adopted by the RTC

- Transit vehicles are exempt from toll charges.
- Toll rates will be adjusted sooner and later in time using the “all items” Consumer Price Index and “average household income.” For Consumer Price Index values of 3 percent and under, the Index will be used and calculated applying annual compounded rates. For values over 3 percent, the “average household income” growth rate will be used.
- Toll rates will be adjusted every two years.

*Business Terms for TxDOT-Sponsored Toll Roads on State Highways

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Business Terms Adopted by the RTC

- Widening of S.H. 121 will need to meet the adopted mobility plan specifications and the managed lane policies.
- Excess revenue will be paid 75 percent up front and 25 percent over time.
- TxDOT has requested that local governments participate in and monitor the Comprehensive Development Agreement (CDA) procurement process. RTC requests that local governments assign representatives to this procurement process.

*Business Terms for TxDOT-Sponsored Toll Roads on State Highways

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Business Terms Adopted by the RTC

- RTC requests that the Texas Transportation Commission reiterate that this Comprehensive Development Agreement will not contain a “no compete” clause. This will permit additional mobility improvement over time without conflict with this agreement.
- Duration of CDA should be less than 51 years.
- Tolls remain on project after CDA duration.

*Business Terms for TxDOT-Sponsored Toll Roads on State Highways

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Business Terms Adopted by the RTC

- The focus of this policy is TxDOT-sponsored toll projects.
- Excess revenue generated from individual toll projects shall be placed in county-specific accounts and prorated based on the residential county of all toll payers on all toll roads. Revenue from eastern and western subregion toll users will result in an adjusted split of Category 2 funds. This adjustment will be made to the eastern and western category funding allocation at the time of its implementation. These funds can be used to fund future projects either on or off the State system.

*Business Terms for TxDOT-Sponsored Toll Roads on State Highways

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Business Terms Adopted by the RTC

- **Projects funded with excess toll revenue should be selected in a cooperative TxDOT-RTC selection process which considers the desires of the cities and counties in which the revenue-generating project is located.**
- **All previous RTC agreements will be honored.**

***Business Terms for TxDOT-Sponsored Toll Roads on State Highways**

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Planned Steps on SH 121

- **October 18, 2006** **NTTA Board to Approve Amended MOU and SH 121 Tolling Services Agreement (TSA)**
- **November 30, 2006** **Detailed proposals due for the SH 121 CDA**
- **December 2006** **NEPA Public Hearing for tolling SH 121/Collin County**
- **December 2006** **Evaluation of proposals for the SH 121 corridor**
- **January 2007** **Selection and award of the best value proposal for the SH 121 CDA**

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Planned Steps on SH 121

- **April 2007** **Anticipated receipt of Finding of FONSI for the tolling of SH 121 in Collin County; contingent upon FHWA approval of Air Quality Conformity for the D-FW region**
- **April/May 2007** **Execution and Financial Close of CDA**
- **NTP1 and NTP2** **Mid 2007**

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Cintra/JP Morgan Proposal



Upfront Payment	\$2,150 Million
Total Lease Payments (NPV)	\$ 717 Million
Construction	\$ 560 Million
O&M (NPV)	\$1,770 Million
Total Value	\$5,197 Million

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NTTA and SB 792



Contrast of Financial Proposals

	Cintra/JP Morgan Binding Commitment	NTTA Submission
Up front concession fee	\$2,150 million	\$2,500 million
Total lease payments (49 years in today's dollars)	<u>\$ 717 million</u>	<u>\$ 833 million</u>
Total payments	\$2,867 million	\$3,333 million
Design and construction cost	\$ 560 million	\$ 698 million
Operation and maintenance (50 years in today's dollars)	<u>\$1,770 million</u>	<u>\$1,268 million</u>
Total value	\$5,197 million	\$5,299 million

(Neither summary includes revenue sharing as these potential payments are not guaranteed)

COMMISSION ACTION AND COORDINATION EFFORT

Commission Action (Conditional Approval of NTTA)

Minute Order (Reference Item 4)

60 Days to Establish Terms of Agreement

45 Days to Reach Financial Close (\$2.5 Billion and \$0.83 Billion)

Ongoing Staff Level Coordination

NTTA

NCTCOG

TxDOT

Questions?

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