

North Central Texas Council Of Governments
March 8, 2013

Mr. Phil Wilson
Executive Director
Texas Department of Transportation
125 E. 11th Street
Austin, TX 78701

Dear Mr. Wilson:

The Senate Bill (SB) 1420 Committee for the SH 183 Managed Lanes Project recently concluded its activities and issued the final report (Attachment 1), which includes statutorily-required determinations. I want to commend your staff for the support they provided during the SB 1420 Committee process and the ideas for a much larger project that will aid the region.

Attachment 2 is a matrix we developed that represents our understanding of the status of necessary actions that are required before the SH 183 Managed Lanes Project can proceed to construction. The timing and sequencing of these actions requires close coordination among the Texas Department of Transportation (TxDOT), the North Texas Tollway Authority, the Federal Highway Administration, and the Regional Transportation Council. Legislative action will also be required for TxDOT to include portions of Loop 12 and SH 114 in the SH 183 Managed Lanes Project. There were several operational considerations that were discussed during the SB 1420 Committee that are key as TxDOT continues to advance implementation of the project. I have summarized these issues from the Committee transcript and have included them for your review as Attachment 3.

Given the critical nature of the SH 183 Managed Lanes Project, I recommend seeking approval from impacted legislators to continue TxDOT's aggressive approach to completing the necessary steps to get SH 183 to construction. The traditional sequential steps will delay project implementation.

The Regional Transportation Council stands ready to assist. Please advise how we can help TxDOT advance this project. If you have any questions, please contact me at (817) 695-9240.

Sincerely,

Michael Morris, P.E.
Committee Chair

KK:jh
Attachments

cc: Maribel Chavez, P.E., Texas Department of Transportation, Fort Worth District
Bill Hale, P.E., Texas Department of Transportation, Dallas District
Gerry Carrigan, P.E., North Texas Tollway Authority

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SH 183 Managed Lanes Project SB 1420 Committee Report

In accordance with Texas Transportation Code, Section 228.013, added by SB 1420, 82nd Legislature, Regular Session, 2011, and Title 43, Texas Administrative Code, Sections 27.90 – 27.92 (the "Rules"), this committee (the "Committee"), consisting of the members identified below, was formed for the purpose of making certain statutorily-required determinations with respect to the SH 183 Managed Lanes Project in Dallas and Tarrant Counties.

The SH 183 Managed Lanes Project (the "Project") is initially comprised of SH 183 from State Highway 121 to Interstate 35E. The scope of the Project may be expanded in the future to include additional connecting facilities that are necessary for connectivity and financing purposes, subject to (i) the waiver of primacy for any such connecting facility by the North Texas Tollway Authority, (ii) any such connecting facility that may be in or will be added or amended to the North Central Texas Council of Governments Metropolitan Transportation Plan – Mobility 2035, and (iii) the enactment of legislation authorizing the Texas Department of Transportation ("TxDOT") to enter into a comprehensive development agreement for any such connecting facility.

The Committee held its duly noticed initial meeting on February 14, 2013. At the initial meeting of the Committee, Michael Morris was elected to serve as Chair and Alberta Blair was elected to serve as Vice Chair.

At its duly noticed initial meeting on February 14, 2013, the Committee made the following determinations concerning the Project, as required by Texas Transportation Code Section 228.013 and the Rules. The following determinations will also apply to the Project if and when expanded to include Loop 12 and SH 114 or other connecting facilities, subject to (i) the waiver of primacy for any such connecting facility by the North Texas Tollway Authority, (ii) any such connecting facility that may be in or will be added or amended to the North Central Texas Council of Governments Metropolitan Transportation Plan – Mobility 2035 and (iii) the enactment of legislation authorizing TxDOT to enter into a comprehensive development agreement for any such connecting facility:

1. Distribution of the Project's financial risk.

The distribution of a project's financial risk is defined in the Rules as the allocation of revenue risk for a toll project between TxDOT and the private entity with which TxDOT enters into an agreement for the project. Revenue risk for the Project will be retained by the private entity, as set forth in the comprehensive development agreement.

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2. Method of financing for the Project.

The method of financing for a project is defined in the Rules as the determination of whether the project should be funded with private or public funding or a combination of private and public funding. The Project will be financed with a combination of public and private funds, which may include the proceeds of bonds or other obligations.

3. Tolling structure and methodology.

The tolling structure and methodology as set by the Regional Transportation Council of the North Central Texas Council of Governments ("RTC") will be used for the Project. The RTC's current tolling structure and methodology, adopted on May 11, 2006 and modified on September 14, 2006, September 13, 2007 and December 13, 2012, are set forth in Exhibit A to this Report.


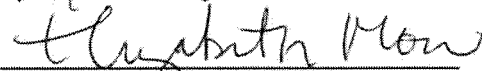

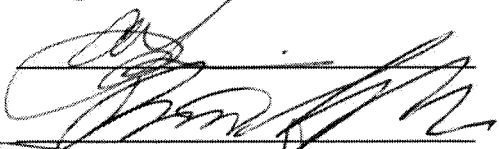

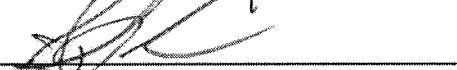

4. Committee members.

The Committee was comprised of the members required by Texas Transportation Code, Section 228.013 and the Rules, to include, as shown below, a representative of TxDOT, every local toll project entity for the area in which the Project is located, the applicable metropolitan planning organization, and each city and county that will provide revenue or right-of-way for the Project.

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Submitted and approved by a majority vote of the members of the Committee present and voting at the meeting held on February 14, 2013:

SH 183 Managed Lanes Project SB 1420 Committee Members:

<u>Name</u>	<u>Representing:</u>	<u>Signature:</u>
Michael Morris	NCTCOG	
Elizabeth Mow	NTTA	
Bill Hale	TxDOT	
Alberta Blair	Dallas County	
Ramiro Lopez	City of Irving	
Rick Galceran	City of Dallas	
Gary McKamie	City of Euless	

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EXHIBIT A - TOLLING STRUCTURE AND METHODOLOGY

TOLLED MANAGED LANE POLICIES

1. A fixed-fee schedule will be applied during the first six months of operation; dynamic pricing will be applied thereafter.
2. The toll rate will be set up to \$0.75 per mile during the fixed-schedule phase. The established rate will be evaluated and adjusted, if warranted, with Regional Transportation Council approval.
3. Toll rates will be updated monthly during the fixed-schedule phase.
4. Market-based tolls will be applied during the dynamic-pricing phase. During dynamic operation, a toll rate cap will be established. The cap will be considered “soft” during times of deteriorating performance when a controlled rate increase above the cap will be temporarily allowed.
5. Transit vehicles will not be charged a toll.
6. Single and two-occupant vehicles will pay the full rate.
7. Trucks will be allowed and will pay a higher rate.

TOLLED MANAGED LANE POLICIES

(continued)

8. High-occupancy vehicles of two or more occupants and vanpools will pay the full rate in the off-peak period.
9. High-occupancy vehicles with three or more occupants will receive a 50 percent discount during the peak period.* This discount will phase out after the air quality attainment maintenance period. Eligible HOVs must pre-register as part of the HOV pre-declaration process. RTC-sponsored public vanpools are permitted to add peak-period tolls as eligible expenses. Therefore, the Comprehensive Development Agreement firm will be responsible for the high-occupancy vehicle discount and the Regional Transportation Council will be responsible for the vanpool discount. Managed Lane occupancy requirements of 3+ may begin on or before June 1, 2016, resulting in the initial implementation of the existing HOV 2+ policy. HOV 3+ will be implemented when necessary due to operational constraints.
10. The toll rate will be established to maintain a minimum average corridor speed of 50 miles per hour.

*6 hours per weekday: 6:30 am - 9:00 am and 3:00 pm - 6:30 pm

TOLLED MANAGED LANE POLICIES

(continued)

11. During the dynamic-pricing phase, travelers will receive rebates if the average speed drops below 35 mph. Rebates will not apply if speed reduction is out of the control of the operator. This policy is suspended at this time. This policy could be phased in on or before June 1, 2016 after implementation of dynamic pricing. Quarterly reports regarding operator responsibility and customer communication needs will be presented to the RTC previous to implementation.
12. Motorcycles qualify as high-occupancy vehicles.
13. No discounts will be given for “green” vehicles.
14. No scheduled inflation adjustments will be applied over time.
15. Every managed lane corridor will operate under the same regional policy.
16. Adoption of this policy will have no impact on the Regional Transportation Council Excess Revenue Policy previously adopted.
17. The Regional Transportation Council requests that local governments and transportation authorities assign representatives to the Comprehensive Development Agreement procurement process.

TOLLED MANAGED LANE POLICIES

(continued)

18. In CDA-leased corridors, the duration of the Comprehensive Development Agreement should maximize potential revenue.
19. Tolls will remain on the managed lanes after the Comprehensive Development Agreement duration.
20. Initially, managed lanes will be enforced manually with technology support. Over time, more advanced technology verification equipment will be phased in.

RTC Approved: May 11, 2006
RTC Modified : September 14, 2006
RTC Modified: September 13, 2007
RTC Modified: December 13, 2012

SH 183 Managed Lanes Project Implementation Status: DRAFT

Roadway Segment	SB 1420 Committee for SH 183	Mobility 2035 – 2013 Amendment	Environmental Clearance (NEPA)	NTTA Primacy Waiver	Traffic and Revenue Study	TxDOT CDA Authority	Concession Award	TIFIA Obligation
SH 183 (Tarrant County)	✓	✓	✓	Summer 2013	✓	September 2013	Winter 2013/14	Winter 2013/14
SH 183 (Dallas County)	✓	✓	✓	✓	✓	✓	Winter 2013/14	Winter 2013/14
Loop 12 Short	✓	April 2013	Winter 2013/14	Summer 2013	Summer 2013	September 2013	Winter 2013/14	Winter 2013/14
SH 114 Short	✓	April 2013	Winter 2013/14	Summer 2013	Summer 2013	September 2013	Winter 2013/14	Winter 2013/14
SH 114 West Transition	✓	April 2013	Winter 2013/14	Summer 2013	Summer 2013	September 2013	Winter 2013/14	Winter 2013/14

Roadway Segment Limits:

SH 183 (Tarrant County) – SH 121 to SH 161

SH 183 (Dallas County) – SH 161 to IH 35E

Loop 12 Short – SH 183 to IH 35E

SH 114 Short – SH 161 to SH 183

SH 114 West Transition – SH 121 to SH 161

Table Notes:

SB 1420 Committee made recommendations for SH 183 and connected projects February 2013.

Mobility 2035 – 2013 Amendment will incorporate SH 1420 Committee recommendations to allow for larger development agreement.

Although SH 183 has been environmentally cleared, Loop 12 and SH 114 will need additional work through the NEPA process to refine project scope.

NTTA has previously waived primacy on SH 183 (Tarrant County), an additional review by NTTA will be needed for all projects listed.

Traffic and Revenue (T&R) Study will be needed to Loop 12 and SH 114. SH 183 in Tarrant and Dallas counties already have a T&R Study.

For TxDOT to enter into a development agreement the Texas Legislature must provide authorization.

SH 183 Managed Lanes Project
Senate Bill 1420 Committee
Operational Considerations

1. Phased construction of the expanded SH 183 Managed Lanes Project will be designed for seamless connections to ongoing or recently completed projects within or adjacent to the overall corridor such as Section 2W of North Tarrant Express (SH 183 west of SH 121), LBJ Express (Loop 12 tolled direct connections to/from IH 635 at the IH 35E merge), and Phase One of the Loop 12/SH 114/SH 183/Spur 482 "Diamond" Interchange.
2. Lane balancing in connection with the proposed Trinity Parkway Project and existing IH 35E south of the SH 183 merge (due to continued Metropolitan Transportation Plan deferment of the north end of Project Pegasus) should be properly integrated into appropriate phases of the expanded SH 183 Managed Lanes Project.
3. Regional Transportation Council (RTC) staff will confer with the North Texas Tollway Authority (NTTA), the Texas Department of Transportation (TxDOT), and the City of Irving regarding connections at the SH 114/SH 161 (President George Bush Turnpike) interchange to ensure that SH 114 is correctly reflected in the Metropolitan Transportation Plan, enabling phased improvement implementation within the expanded SH 183 Managed Lanes Project.
4. For the SH 114 section of the expanded SH 183 Managed Lanes Project, private sector proposers should be afforded flexibility to identify improvements between SH 161 (President George Bush Turnpike) and SH 121/International Parkway up to and including the ultimate environmentally cleared recommendations where feasible. At a minimum, however, operational improvements must be identified to avoid a potential bottleneck section between SH 161 and the DFW Connector Project.
5. The anticipated schedule for major planning and environmental issues such as the determination of primacy, approval of the Metropolitan Transportation Plan, and Texas State Legislature authorization should be documented in a project status matrix that will be included in concession materials, so that seamlessness is communicated to potential private sector proposers. (TxDOT has already included some of these considerations in the Request for Qualifications document.)