



# Report on Toll Projects

For Fiscal Year 2021

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Pursuant to HB 803, 86<sup>TH</sup> Texas Legislature

February 28, 2022

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## Introduction

House Bill 803, 86<sup>th</sup> Legislature, Regular Session (2019) added Transportation Code, §372.054, which requires a toll project entity to publish certain financial information on each of its toll projects. The Texas Department of Transportation (TxDOT), a toll project entity pursuant to Section 372.001 and Chapter 228, Texas Transportation Code, has prepared this report solely for the purpose of satisfying this requirement. Information presented in this report is for the fiscal year ended August 31, 2021.

## TxDOT-Operated Toll Projects

### *Revenues and Expenses for Financed Toll Projects*

The table below sets forth for each TxDOT-operated toll project or system financed with toll revenue debt, the final maturity of the debt, operating revenues, operating expenses, repairs and maintenance expenses and debt service for fiscal year 2021 (FY 2021). The table includes relevant excerpts of financial data solely for satisfying the requirements of HB 803.

Table 1: FY 2021 Revenues and Expenses of Financed Toll Projects

System/Project (in millions)	Final Maturity of Project/System Debt	Operating Revenues	Operating Expenses	Repairs & Maintenance Expenses	Debt Service
Central Texas Turnpike System (SH 130 Segments 1 – 4, Loop 1, SH 45N & SH 45SE)	2042	\$181.87	\$95.89	\$24.47	\$130.07
Grand Parkway System (SH 99 Segments D-I)	2053	\$189.47	\$40.66	\$10.08	\$197.44
I-35E Managed Lanes Project	2052	\$20.10	\$4.26	\$6.61	\$8.14
SH 249 System *	2057	\$5.77	\$0.00	\$0.00	\$7.80

Source: Amounts were obtained from the Annual Financial Report for the FY ended August 31, 2021, of TxDOT or of the respective toll project or system, as applicable.

\* SH 249 System is currently in ramp-up and expenses were funded by the State Highway Fund in FY 2021 in compliance with the Trust Agreement.

### *Surplus Revenues - Financed Toll Projects*

For TxDOT-operated toll projects that are financed with toll revenue debt, revenues in excess of debt service and expenses are used to fund project reserve accounts customarily required by bond indentures and trust agreements, which results in no “surplus revenues” reportable for any system or project listed in Table 1 for FY 2021. Note that the term “surplus revenues” in this report may differ from similar terms defined by the toll project bond indentures.

## Revenues and Expenses for Non-Financed Toll Projects

The table below sets forth operating revenues and operating and maintenance expenses attributable to each TxDOT-operated toll project not financed with toll revenue debt.

Table 2: FY 2021 Revenues and Expenses of Non-Financed Toll Projects

System/Project (In millions)	Operating Revenues	Operating Expenses	Maintenance Expenses
SH 99 Segment I-2A*	\$2.75	\$0.83	\$0.13
DFW Connector Managed Lanes (SH 114 in Tarrant County)	\$1.38	\$0.50	\$4.11
I-30 Managed Lanes	\$2.20	\$0.74	\$1.76
I-635/LBJ East Express Lanes	\$0.29	\$0.00	\$0.00
Midtown Express Managed Lanes (SH 183, SH 114 in Dallas County and Loop 12)	\$16.86	\$4.14	\$1.51

\* SH 99 Segment I-2A is part of the Grand Parkway System, however, revenues from Segment I-2A are currently deposited to the State Highway Fund until the Grand Parkway Segments H&I are completed and opened to traffic.

### Surplus Revenues - Non-Financed Toll Projects

For TxDOT-operated toll projects that are not financed, any revenues collected in excess of expenses are first used to “repay” the share of statewide funding used for construction of the tolled portion of each project. For FY 2021, only the I-635/LBJ East Express Lanes project generated surplus revenues in the amount of \$291,300.

### Anticipated Capital Plans

Table 3 sets forth the anticipated capital plans for each toll project or system with such a plan. Excluded from the estimates are construction activities funded with bond proceeds or non-toll revenue.

Estimated Capital Plan Expenditures are necessarily based on various assumptions and estimates that are inherently subject to change. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive and market conditions and future business decisions, and may be revised.

Table 3: FY 2022 – FY 2026 Capital Plans

	Estimated Capital Plan Expenditures	Planned Capital Activities
Central Texas Turnpike System	\$129 million	<ul style="list-style-type: none"> <li>• SH 130 Expansion</li> <li>• US 290 Direct Connectors</li> <li>• Back Office System Development &amp; Implementation</li> <li>• Major Maintenance</li> </ul>
Grand Parkway System	\$84 million	<ul style="list-style-type: none"> <li>• Major Maintenance</li> </ul>
I-35E Managed Lanes Project	\$17 million	<ul style="list-style-type: none"> <li>• Major Maintenance</li> </ul>
Midtown Express Managed Lanes (SH 183, SH 114 in Dallas County and Loop 12)	\$12.5 million	<ul style="list-style-type: none"> <li>• Major Maintenance</li> </ul>

### Toll Projects Operated Under a Comprehensive Development Agreement

TxDOT may enter into a comprehensive development agreement (CDA) with a private developer to design, construct, finance, operate and maintain an eligible toll project for up to 52 years. A CDA may authorize the private developer to impose and collect tolls from users of the project over the term of the agreement until the termination date. (State law specified which TxDOT projects may be developed under a CDA. CDA authorization expired in 2017 for all TxDOT projects except the Grand Parkway.)

TxDOT has entered into such CDAs for the development of five projects, as shown in Table 4.

Table 4: Project Cost and Termination Year for CDA Projects

Project	Contract Value for Design and Construction	CDA Termination Year
SH 130 Segments 5 & 6	\$1 billion	2062
North Tarrant Express Segments 1 & 2W	\$1.8 billion	2061
I-635/LBJ Managed Lanes	\$2 billion	2061
North Tarrant Express Segments 3A, 3B & 3C	\$2 billion	2061
SH 288 Toll Lanes in Harris County	\$800 million	2068