

TEXAS TRANSPORTATION COMMISSION

SMITH County

MINUTE ORDER

Page 1 of 2

TYLER District

The Texas Department of Transportation (department) and the North East Texas Regional Mobility Authority (NETRMA) have been proceeding with the development of the Toll 49 facility in Smith County, a project under the jurisdictional limits of the NETRMA.

The project is consistent with the Statewide Transportation Plan (Plan) and the Metropolitan Transportation Plan of the Tyler Metropolitan Planning Organization, and is listed in the FY 2008-2011 Statewide Transportation Improvement Program (STIP).

The project is the development and construction of Segment 3B of Toll 49 from SH 31 north to I-20. The proposed 10-mile toll facility includes two lanes of an ultimate four-lane toll road, with a connection to the existing Toll 49 facility at SH 31, and ramps connecting to I-20. The project is located within the boundaries of the NETRMA, and is subject to the market valuation and primacy requirements of Transportation Code, §228.0111. Pursuant to Transportation Code, §228.0111, the NETRMA has exercised its option to develop, construct, and operate the project.

Transportation Code, §370.301 authorizes the department to provide for or contribute to the payment of costs of the design, financing, construction, operation, or maintenance of a turnpike project by a regional mobility authority (RMA) on terms agreed to by the department and the RMA. Transportation Code, §222.103 authorizes the department to participate, by spending money from any available source, in the acquisition, construction, maintenance, or operation of a toll facility of a public or private entity on terms and conditions established by the Texas Transportation Commission (commission).

Pursuant to Transportation Code, §222.103, the commission adopted Title 43, Texas Administrative Code, §§27.50-27.58 (toll equity rules) to prescribe conditions for the commission's financing of a toll facility of a public or private entity.

In accordance with Sections 27.53 and 27.54(a) of the toll equity rules, the commission, in Minute Order 112476, dated October 28, 2010, granted preliminary approval of financial assistance in an amount up to \$90 million, in the form of a loan, to pay for the development and construction of Segment 3B of Toll 49.

In accordance with Section 27.54 of the toll equity rules, negotiations have been conducted and a financial assistance agreement that complies with Section 27.55 of those rules has been developed.

Environmental clearance of the project was obtained on December 20, 2005. The NETRMA has committed that the project will comply with all applicable environmental laws, and has committed that the NETRMA will assume all liability and responsibility for identifying and securing all federal and state environmental permits, issues, commitments, and approvals necessary for the development of the project.

TEXAS TRANSPORTATION COMMISSION

SMITH County

MINUTE ORDER

Page 2 of 2

TYLER District

The completion of the project will benefit the state and the traveling public and improve the efficiency of the state's transportation system by enhancing local and regional mobility, decreasing congestion, increasing safety, increasing economic development opportunities, decreasing travel time, decreasing air pollution, providing reliable travel speeds for users and improved access for emergency response, and enhancing operational efficiency and quality of life in the project corridor and the regional transportation system.

The financial assistance will enhance the ability of the project to go forward as a toll facility, improving the efficiency of the state transportation system, and potentially expanding the availability of funding for transportation projects or reducing direct state costs. Without the financial assistance, the timeline to complete the project and realize the benefits described above could be delayed indefinitely.

Based on the above information, the commission has determined that providing financial assistance will provide for the protection of public funds, and that, given the level of project development to date, the project will provide for all reasonable and feasible measures to avoid, minimize, or mitigate adverse environmental impacts.

NOW, THEREFORE, IT IS DETERMINED that the request for financial assistance submitted by the North East Texas Regional Mobility Authority meets the applicable requirements of 43 TAC §27.53 and §27.54 and, in accordance with those provisions, the commission grants final approval of the request for financing in the amount of up to \$90 million, not to exceed the difference between the amount of eligible project costs and the amount of the State Infrastructure Bank (SIB) loan for the project approved in Minute Order 112475, in the form of a loan, to be used for the purposes described herein, and directs the executive director to enter into a financial assistance agreement with the North East Texas Regional Mobility Authority (NETRMA).

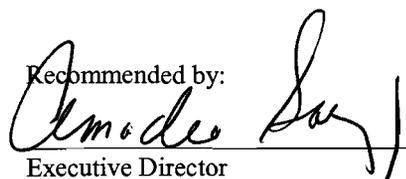
IT IS FURTHER ORDERED that interest on the financial assistance will accrue from the date of disbursement at 4.18 percent per annum, compounding annually if not paid. If, at the end of the term of the SIB loan, any amount of the financial assistance cannot be repaid by NETRMA, that amount will be considered equity in the project, and repaid through the payment to the department in perpetuity of a share of revenues generated by Segments 1, 2, 3A, 3B, 4 and 5 of Toll 49. The revenue sharing terms will be determined at the end of the term of the SIB loan.

Submitted and reviewed by:



Director, Finance Division

Recommended by:



Executive Director

112498 NOV 18 10

Minute Date
Number Passed