

TEXAS TRANSPORTATION COMMISSION

JOHNSON AND TARRANT Counties

MINUTE ORDER

Page 1 of 3

FORT WORTH District

The Texas Department of Transportation (department) and the North Texas Tollway Authority (NTTA) have been proceeding with the development of the SH 121 toll project, a 27.6 mile continuous express-lane facility extending from the Fort Worth Central Business District at I-30 to US 67 in Johnson County (Southwest Parkway/Chisholm Trail Project).

A portion of the Southwest Parkway/Chisholm Trail Project is located within the boundaries of the NTTA, and the southern section of the Southwest Parkway/Chisholm Trail Project is subject to the market valuation provisions set forth in Transportation Code §228.0111 (the northern section is exempt from the market valuation requirement). The NTTA is authorized to construct, operate, maintain, expand, or extend the portion of the Southwest Parkway/Chisholm Trail Project extending into Johnson County as it would be a continuation of the NTTA's toll road project extending from an adjacent county that is part of the NTTA.

The department and the NTTA have been working together to identify an approach to provide for the funding and development of the Southwest Parkway/Chisholm Trail Project within the boundaries of the NTTA and adjacent counties. Transportation Code, §228.0111 grants the NTTA the first option to develop, finance, construct and operate the Southwest Parkway/Chisholm Trail Project. Pursuant to Transportation Code, §228.0111, the NTTA has exercised its option to develop, construct, and operate the project.

The department, the NTTA and the Regional Transportation Council (RTC) of the North Central Texas Council of Governments (NCTCOG), the metropolitan planning organization of the Dallas-Fort Worth region, have cooperatively engaged in efforts to determine capital cost savings needed to make the Southwest Parkway/Chisholm Trail Project financially feasible. This includes the deferral of some of the direct connect bridges in Section 3B of the project and a reduction in the number of lanes to be constructed in Sections 5 and 6 of the project. This corridor configuration, which balances needed cost reductions with corridor functionality and mobility, has been titled Scenario 1C. The remaining direct connect bridges and additional lanes would be constructed when travel demand warrants.

In Minute Order 112142, dated February 24, 2010, the Texas Transportation Commission (commission) authorized the executive director to enter into an Agreement to Enter into Supplement to Toll Equity Loan Agreement (Agreement) that provides for the agreement of the department and the NTTA to enter into a supplement to the toll equity loan agreement for the SH 161 Project upon the fulfillment of the conditions precedent set forth in the Agreement. The supplement would amend the toll equity loan agreement to increase the amount of the toll equity loan commitment for the SH 161 Project to provide financial assistance for the Southwest Parkway/Chisholm Trail Project. The effect of the supplement is to provide a toll equity loan commitment for a single project comprising SH 161 and the Scenario 1C configuration of the Southwest Parkway/Chisholm Trail Project.

Transportation Code, §366.301 authorizes the department to provide for or contribute to the payment of costs of financial or engineering and traffic feasibility studies and the design, financing, acquisition, construction, operation, or maintenance of a turnpike project or system by the NTTA on terms agreed to by the department and the NTTA. 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 commission.

TEXAS TRANSPORTATION COMMISSION

JOHNSON AND TARRANT Counties

MINUTE ORDER

Page 2 of 3

FORT WORTH District

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 112142, granted preliminary approval of financial assistance comprising (a) \$91 million in Proposition 14 bond proceeds that have been identified for the Southwest Parkway/Chisholm Trail Project and (b) an aggregate amount in nominal dollars no greater than the facility costs associated with Scenario 1C of the Southwest Parkway/Chisholm Trail Project, under mutually approved projections and including a commercially reasonable contingency for design and construction cost overruns, eligible to be paid from the state highway fund under applicable law, and which may only include costs for (1) design and construction, (2) operations and maintenance, and (3) major maintenance.

As required by Section 27.53, the NTTA has an internal ethics and compliance program that satisfies the requirements set forth in 43 TAC §1.8. In accordance with Section 27.54, negotiations have been conducted and a financial assistance agreement that complies with Section 27.55 of the toll equity rules has been developed for the portion of the financial assistance comprised of the \$91 million in Proposition 14 bond proceeds that have been identified for the Southwest Parkway/Chisholm Trail Project.

The NTTA has committed that during construction of the portions of the Southwest Parkway/Chisholm Trail Project for which the NTTA is responsible, the NTTA will assume all liability and responsibility for existing and future environmental permits, issues, and commitments, including obtaining all environmental permits and approvals necessary for the development of that portion of the project, and for compliance with all applicable federal and state laws, regulations, and policies.

The department previously conducted environmental studies and analyses of the Southwest Parkway/Chisholm Trail Project, and has secured environmental clearance from FHWA, from I-30 to FM 1187. A Finding of No Significant Impact for the section of the project from FM 1187 to US 67 is currently being reevaluated.

Section 27.54(b) of the toll equity rules provides that prior to receiving final approval of the grant or loan of funds for the construction of a project, a study of the social, economic, and environmental impacts of the project be completed, and public involvement be provided for in the manner required in the department's rules relating to environmental review and public involvement for transportation projects. Accordingly, final approval of financial assistance for the construction of a project is subject to the environmental clearance of the project.

The Southwest Parkway/Chisholm Trail Project is consistent with the Statewide Transportation Plan, the Statewide Transportation Improvement Program, and the approved plan of NCTCOG, and is consistent with the transportation improvement program of NCTCOG and with the State Implementation Plan.

The timely extension of SH 121 south and west from I-30 in Fort Worth to US 67 in Cleburne is a crucial element in the development of the cities of Fort Worth and Cleburne, Johnson and Tarrant

TEXAS TRANSPORTATION COMMISSION

JOHNSON AND TARRANT Counties

MINUTE ORDER

Page 3 of 3

FORT WORTH District

counties, and the surrounding region. Development of the Southwest Parkway/Chisholm Trail Project will benefit the region by reducing congestion and improving air quality in those areas.

The financial assistance for the Southwest Parkway/Chisholm Trail Project is critical to the NTTA's overall plan of finance. The successful funding of the Southwest Parkway/Chisholm Trail Project will benefit the state and the traveling public and improve the efficiency of the state's transportation system by providing for the timely completion of the Southwest Parkway/Chisholm Trail Project, which will enhance mobility and operational efficiency, decrease congestion, increase safety, increase economic development opportunities, decrease travel time, decrease air pollution, and enhance quality of life in the SH 121 Corridor. Without the department's assistance, the timeline to complete the Southwest Parkway/Chisholm Trail Project and realize those benefits could be delayed.

The request for financial assistance submitted by the NTTA indicates that a majority of the costs of developing the Southwest Parkway/Chisholm Trail Project will be funded through revenue bond sales, loans, and NTTA equity contributions. With the requested financial assistance, the project has the potential to expand the availability of funding for transportation projects or reduce direct state costs.

Based on the above information, the commission has determined that providing financial assistance of \$91 million in Proposition 14 bond proceeds that have been identified for the Southwest Parkway/Chisholm Trail Project will prudently 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 NTTA meets the applicable requirements of 43 TAC §27.53 and §27.54 and, in accordance with those provisions, the commission grants final approval of financial assistance, **in the form of a grant**, of \$91 million in Proposition 14 bond proceeds that have been identified for the Southwest Parkway/ Chisholm Trail Project, to be used for the purposes described herein on segments of the Southwest Parkway/Chisholm Trail Project that have been environmentally cleared.

IT IS FURTHER ORDERED that the executive director is authorized to enter into a financial assistance agreement with the NTTA.

Submitted and reviewed by:



Director, Finance Division

Recommended by:



Executive Director

112560 JAN 27 11

Minute Number Date Passed