

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 continuous express lane facility extending from the Fort Worth Central Business District at I-30 to US 67 in Johnson County, a total length of approximately 27.6 miles (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 turnpike 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 NCTCOG 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 comprised of SH 161 and the Scenario 1C configuration of the Southwest Parkway/Chisholm Trail Project.

Minute Order 112142 also preliminarily approved financial assistance for the Southwest Parkway/Chisholm Trail Project comprised of \$91 million in Proposition 14 bond proceeds that have been identified for 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

TEXAS TRANSPORTATION COMMISSION

JOHNSON AND TARRANT Counties

MINUTE ORDER

Page 2 of 3

FORT WORTH District

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.

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 Section 27.53 of the toll equity rules, the NTTA has submitted a request for financial assistance in the amount of \$25 million, to be used in the development and construction of, and acquisition of right of way for, the Southwest Parkway/Chisholm Trail Project. Section 1602 of the Transportation Equity Act for the 21st Century (TEA-21) identified the Southwest Parkway/Chisholm Trail Project as a high priority project, and made available \$25 million to construct the project.

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.

Section 27.53(d) authorizes the executive director of the department to waive submission of individual items of information or data required by Section 27.53(c) if: (1) the information or data required by this section is not relevant to the project or the financial assistance requested; (2) the department already possesses information or data in a format that may be substituted for the required information or data; or (3) the past performance of the requestor on previous projects developed in collaboration with the department indicates that the requestor will adequately and prudently address the issues and impacts described in the requested information or data.

Information and data required by Section 27.53(b) is either contained in the request for financing or is already in the department's possession. Supplemental information and data required by Section 27.53(c) is contained in the request for financial assistance, is already in the department's possession, or is waived under Section 27.53(d).

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.

The Southwest Parkway/Chisholm Trail Project is consistent with the Statewide Transportation Plan, the Statewide Transportation Improvement Program, and the approved plan of the North Central Texas Council of Governments (NCTCOG), the metropolitan planning organization of the Dallas-Fort Worth region, and is consistent with the transportation improvement program of the NCTCOG and with the State Implementation Plan.

TEXAS TRANSPORTATION COMMISSION

JOHNSON AND TARRANT Counties

MINUTE ORDER

Page 3 of 3

FORT WORTH District

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 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.

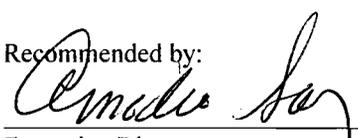
NOW, THEREFORE, IT IS DETERMINED that the request for financial assistance submitted by the North Texas Tollway Authority meets the applicable requirements of 43 TAC §27.53 and §27.54(a) and, in accordance with those provisions, the commission grants preliminary approval of the request for financial assistance in the amount of \$25 million, to be funded with federal funds as identified in Section 1602 of TEA-21 and to be used for the purposes described herein, and directs the executive director to implement the actions authorized and required by those and other applicable toll equity rule provisions.

Submitted and reviewed by:



Director, Finance Division

Recommended by:



Executive Director

112548 JAN 5 11

Minute
Number

Date
Passed