



Report on Toll Projects

For Fiscal Year 2023

Pursuant to HB 803, 86TH Texas Legislature

February 28, 2024

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Introduction

House Bill 803, 86th 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, 2023.

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 2023 (FY 2023). The table includes relevant excerpts of financial data solely for satisfying the requirements of HB 803.

Table 1: FY 2023 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	\$345.18	\$108.41	\$25.52	\$151.65
Grand Parkway System (SH 99 Segments D-I)	2053	\$323.87	\$75.54	\$14.70	\$163.56
I-35E Managed Lanes Project	2052	\$35.88	\$4.06	\$5.90	\$8.34
SH 249 System *	2057	\$21.86	\$0.00	\$0.00	\$7.80

Source: Amounts were obtained from the Annual Financial Report for the FY ended August 31, 2023, 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 2023 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 2023. 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 2023 Revenues and Expenses of Non-Financed Toll Projects

System/Project (in millions)	Operating Revenues	Operating Expenses	Maintenance Expenses	Surplus Revenue
DFW Connector Managed Lanes (SH 114 in Tarrant County)	\$2.10	\$0.43	\$0.65	\$1.02
I-30 Managed Lanes	\$3.05	\$0.57	\$2.67	\$(0.19)
I-635/LBJ East Express Lanes	\$0.04	\$0.00	\$0.00	\$0.04
Midtown Express Managed Lanes (SH 183, SH 114 in Dallas County and Loop 12)	\$36.30	\$3.77	\$5.12	\$27.41

Surplus Revenues - Non-Financed Toll Projects

The TxDOT-operated toll projects that are not financed are shown in Table 2. Please note that reconstruction of the I-635/LBJ East Express Lanes began in spring 2020 and tolling was ceased. TxDOT does not have any operating or maintenance expenses during the reconstruction. Operating revenues reported during fiscal 2023 represent amounts collected during fiscal 2023 that were billed to customers prior to the cessation of tolling.

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. Projects to be funded from the surplus revenues of certain non-financed toll projects in the Dallas-Fort Worth region shown in Table 2 will be programmed in coordination with the North Central Texas Council of Governments.

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 2024 – FY 2028 Capital Plans

	Estimated Capital Plan Expenditures	Planned Capital Activities
Central Texas Turnpike System	\$249 million	<ul style="list-style-type: none"> • Back Office System Development & Implementation • Major Maintenance
Grand Parkway System	\$47 million	<ul style="list-style-type: none"> • Major Maintenance
I-35E Managed Lanes Project	\$14 million	<ul style="list-style-type: none"> • Major Maintenance
SH 249 System	\$5 million	<ul style="list-style-type: none"> • Major Maintenance
Midtown Express Managed Lanes (SH 183, SH 114 in Dallas County and Loop 12)	\$11 million	<ul style="list-style-type: none"> • Major Maintenance

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