

TEXAS TRANSPORTATION COMMISSION

CAMERON County

MINUTE ORDER

Page 1 of 2

PHARR District

In Minute Order 109788, dated September 30, 2004, the Texas Transportation Commission (commission) authorized the creation of the Cameron County Regional Mobility Authority (CCRMA) at the request of Cameron County.

The Texas Department of Transportation (department) and the CCRMA have been cooperatively developing the SH 550 project (project). Segment 1 of phase 1 of the project is a new limited-access toll facility from approximately 1.1 miles west of FM 1847 to approximately 0.7 miles east of FM 1847. Segments 2 and 3 of phase 1 of the project is a new limited-access toll facility from approximately 0.7 miles north of FM 3248 to SH 48 at the new Port of Brownsville entrance. Segment 1 is currently under construction. Bids for the construction of segments 2 and 3 are scheduled to be received in early 2010 as an American Recovery and Reinvestment Act (ARRA) funded project authorized by the commission on March 5, 2009 by Minute Order 111734.

On September 9, 2009, the department and the CCRMA executed a Market Valuation Agreement for phase 1 of the project. On September 23, 2009 the Brownsville Metropolitan Planning Organization approved development of this portion of the project using the business terms and conditions set forth in the Market Valuation Agreement, and then the CCRMA Board exercised its primacy option to develop this portion of the project in a special meeting.

In Minute Order 112013 dated October 29, 2009, the commission authorized the executive director to negotiate and enter into a project development agreement with CCRMA that provides for the improvements to the state highway system contemplated by phase 1 of the project.

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.

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 §§27.53 and 27.54(a) of the toll equity rules, the commission, in Minute Order 112080, dated December 17, 2009, granted preliminary approval of financial assistance to be used for the construction of segments 2 and 3 of phase 1 of the project. The financial assistance was approved in the form of a grant, and is comprised of the \$36,492,200 of ARRA funds authorized by the commission to be committed to the project.

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Page 2 of 2

PHARR District

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.

The department previously conducted environmental studies and analyses of the project, and the Federal Highway Administration issued a Finding of No Significant Impact for the project on November 10, 2009. CCRMA has committed that it will assume responsibility for identifying and securing all federal and state environmental permits, issues, and approval of commitments necessary for the development of its projects. CCRMA will reaffirm these commitments in the Financial Assistance Agreement or other documentation prior to funding.

The completion of the project will benefit the state and the traveling public and improve the efficiency of the state's transportation system by relieving existing and projected congestion in southeast Cameron County, thereby enhancing mobility and safety within this segment of the state transportation system.

CCRMA has indicated that they will fund a majority of the \$196 million estimated cost of constructing the SH 550 project using the proceeds of revenue bonds and subordinated debt, as well as CCRMA and other local funding. Accordingly, the project will expand the availability of funding for transportation projects or reduce direct state costs.

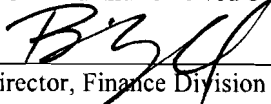
Based on the above information, the commission has determined that providing financial assistance will prudently provide for the protection of public funds, and that the project will provide for all reasonable and feasible measures to avoid, minimize, or mitigate adverse environmental impacts.

The CCRMA has not yet completed an investment grade traffic and revenue report for the project. The department has determined, pursuant to 43 TAC §27.54(b)(2), that the requirement for such a report is inapplicable or unnecessary due to the nature of the requested financial assistance.

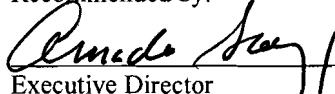
The proposed project and work by CCRMA is consistent with the approved Statewide Transportation Plan, included in the Statewide Transportation Improvement Program, and included in the approved metropolitan transportation plan of the Brownsville Metropolitan Planning Organization.

NOW, THEREFORE, IT IS DETERMINED that the request for financial assistance submitted by CCRMA meets the 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 amount of \$36,492,200, in the form of a grant, to be used for the purposes described herein, and authorizes the executive director to enter into a financial agreement with CCRMA.

Submitted and reviewed by:

  
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Director, Finance Division

Recommended by:

  
\_\_\_\_\_  
Executive Director

**112119 JAN 28 10**

Minute Number      Date Passed