

TEXAS DEPARTMENT OF TRANSPORTATION DFW CONNECTOR PROJECT DISCLOSURE OF FINANCIAL INFORMATION

Disclosure of Financial Information: Pursuant to the authority granted under Texas Transportation Code, Chapter 223, the Texas Department of Transportation (TxDOT) has solicited proposals and recommended selection of a proposer for award of a comprehensive development agreement (CDA) to develop, design, and construct and to potentially maintain SH 114 from SH 114L Business to east of International Parkway and SH 121 from FM 2499 to SH 360 (the SH 114/SH 121 corridor), including tolled managed lanes along SH 114 from east of FM 1709 to east of International Parkway, as well as other facilities to the extent necessary for connectivity, mobility, and safety (DFW Connector Project), including the reconstruction of existing facilities, construction of frontage roads and the addition of managed lanes. The new managed lanes will be tolled by TxDOT. On March 26, 2009, in Minute Order 111736, the Texas Transportation Commission determined that the proposal submitted by NorthGate Constructors, J.V. (developer) provides the apparent best value to TxDOT and authorized TxDOT to commence and complete negotiations necessary to finalize the CDA.

Under the CDA, construction work will begin in 2009 and is scheduled to be completed in 2014. Upon completion, TxDOT may assume responsibility for capital maintenance of the facility or may request, via exercise of its options under a Capital Maintenance Agreement, that the developer handle capital maintenance responsibilities for up to three consecutive five-year terms. TxDOT owns and will continue to own the project.

Pursuant to Transportation Code, Chapter 371, subchapter D, TxDOT is publishing financial information regarding the project and providing notice of a public hearing that will be held regarding the financial disclosure.

Project Financing. As a design-build project, TxDOT intends to fund the project using \$250 million of funds from the American Recovery and Reinvestment Tax Act of 2009 and \$667 million of other public funds. Funding of the project will not include debt and therefore no interest will be paid.

Duration of Tolling. As toll rates will be used to maintain minimum operating conditions on the managed lanes portion of the project, TxDOT will collect tolls on the managed lanes throughout the project's operating life.

Method for Setting Toll Rates. The initial toll rates will be established as the project nears completion and will follow the North Central Texas Council of Governments (NCTCOG)/Regional Transportation Council (RTC) managed lane policy. Traffic speed and volume will dictate pricing, and the pricing is expected to vary at different times of a typical weekday, between weekdays and weekend days, and over time.

Competing Facilities. TxDOT has the right to build any facilities at any time. There are no terms in the CDA related to competing facilities and there are no penalties associated with their construction.

Termination for Convenience. TxDOT has the right to terminate the CDA at any time without cause. If TxDOT elects to exercise this right, TxDOT must pay the Developer for the design and construction work already performed under the CDA and the costs of terminating subcontracts.

Toll Rates. Based on demand projections, it is estimated that the initial toll rate charged will be \$0.16 per mile in 2014. The estimated toll rate at the end of the capital maintenance term (if TxDOT exercises its options for all three maintenance periods) is \$0.24 per mile in 2029.

Methodology for increasing toll rates: The RTC specifies an initial maximum toll rate of \$0.75 /mile. This maximum toll rate cannot be exceeded during the first 180 days after traffic operations commence on the managed lanes. After the first 180 days, dynamic pricing goes into effect, as required by the RTC managed lane policy, which means that, after the first 180 days:

- If demand is low, such as during off-peak hours, a lower toll rate may be charged;
- If demand is high, such as during peak commute times, a higher toll rate may apply as described below.

During dynamic pricing, the toll rate will be subject to increase or decrease in not less than five minute intervals depending on average traffic flows or average speeds, and will otherwise be fully subject to the RTC managed lane policy.

Concession Payments. There will be no concession payments.

Public Hearings. TxDOT will hold public hearings concerning this disclosure of financial information for the Project on May 26, 2009 at 7:00 p.m. located at DFW Airport Marriott South, 4151 Centreport Boulevard, Fort Worth, TX 76155 and on May 26, 2009 at 7:00 p.m. located at Ramada Dallas Love Field, 1575 Regal Row, Dallas, TX 75247. Questions and comments concerning the financial information will be accepted by TxDOT at the public hearings. Questions and comments may also be submitted to the department by U.S. mail addressed to Ms. Maribel P. Chavez, P.E., Texas Department of Transportation, P.O. Box 6868, Fort Worth, Texas 76115; or [e-mail](#) as set forth on the [Project web page](#). These comments will be accepted until 5 p.m., May 29, 2009. Copies of the CDA will be made available for viewing at the public hearing and at TxDOT's Fort Worth District office located at 2501 Southwest Loop 820, Fort Worth, TX 76133, and can be accessed on TxDOT's website at www.txdot.gov (<http://www.txdot.gov/>) Keyword: DFW Connector. Copies of the CDA also may be purchased from TxDOT's Fort Worth District office at the cost of reproduction. TxDOT will consider all properly submitted questions and comments and will prepare a summary and analysis of the comments received. The summary and analysis will be posted on TxDOT's website and made available upon request. Persons interested in

attending the hearing who have special communication or accommodation needs are encouraged to contact the TxDOT Fort Worth District at (817) 370-6532. Requests should be made at least 72 hours prior to the public hearing. Because the public hearing will be conducted in English, any requests for language interpreters or other special communication needs should also be made at least 72 hours prior to the public hearing. TxDOT will make every reasonable effort to accommodate these needs.