

**TEXAS DEPARTMENT OF TRANSPORTATION
IH-35E 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 design-build comprehensive development agreement (CDA) to develop, design, construct and maintain along all or a portion of the 28-mile section of Interstate Highway 35E from IH 635 in Dallas County to US 380 in Denton County (the "IH-35E Project"), including the construction of tolled lanes and frontage roads. The tolled lanes will be tolled by TxDOT. On December 30, 2012, in Minute Order 113398, the Texas Transportation Commission determined that the proposal submitted by AGL Constructors, a Texas joint venture comprised of Archer Western Contractors, LLC, Granite Construction Company and The Lane Construction Company (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 2013 and Phase 1 is scheduled to be completed in late 2016. No later than a specified time prior to completion, TxDOT may exercise its sole option to require the developer to provide, commencing two years after completion, capital maintenance services for the IH 35E Project under a Capital Maintenance Agreement 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. TxDOT intends to fund the IH 35E Project with federal, state and local funding sources. No debt has been or will be assumed to acquire, design, construct, operate, and maintain the IH-35E Project.

Duration of Tolling. TxDOT will collect tolls on the IH 35E Project even though there is no debt to repay.

Method for Setting Toll Rates. The initial toll rates will be set by the Texas Transportation Commission (Commission) in accordance with the managed lanes policy established by the Regional Transportation Council (RTC). The policy provides for fixed schedule pricing during the first six months and dynamic pricing thereafter. Pursuant to the managed lane policy, tolls for the initial 180-day period will be no greater than the maximum toll rate described below. After that initial period, the toll rates will be based on user demand, as described below. The toll rate will be established to maintain a minimum average managed lanes speed of 50 mph.

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 and subject to Transportation Commission adoption, it is estimated that the toll rates charged will be as follows:

Price per Mile	2016 (in today's \$)	2033 (in today's \$)
High	\$0.63	\$0.77
Low	\$0.09	\$0.17

Methodology for increasing toll rates. Pursuant to the managed lanes policy, the initial maximum toll rate is \$0.75 /mile. The established rate will be evaluated and adjusted, if warranted, with RTC approval. 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 will be charged;
- If demand is high, such as during peak commute times, a higher toll rate will apply.

Concession Payments. There will be no concession payments.

Public Hearings. TxDOT will hold two public hearings concerning this disclosure of financial information for the IH 35E Project. The first hearing will be held on Tuesday, January 15, 2013 from 6:00 p.m. – 8:00 p.m. at the Dallas County Health and Human Services Building, Room 627, located at 2377 North Stemmons Freeway Dallas, Texas 75207. The second hearing will be held on Thursday, January 17, 2013 from 6:00 p.m. to 8:00 p.m at the Denton Civic Center, located at 231 E. McKinney Street, Denton, Texas 76201. 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 Randall Redmond, P.E., Texas Department of Transportation, 4777 Highway 80 East, Mesquite, Texas 75150; or e-mail as set forth on the IH 35E Project web page. These comments will be accepted until 5 p.m., January 21, 2013. Copies of the CDA will be made available for viewing at the public hearings and at TxDOT's Dallas District office located at 4777 Highway 80 East, Mesquite, Texas 75150, and can be accessed on TxDOT's website at <http://txdot.gov/inside-txdot/projects/studies/dallas/i35e/35-rfp.html> . Copies of the CDA also may be purchased from TxDOT's Dallas 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(s) who have special communication or accommodation needs are encouraged to contact the Dallas District at 214-320-4404. Requests should be made at least 72 hours prior to the public hearing. Because the public hearings 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.