

IH 35E Managed Lanes Project SB 1420 Committee

November 10, 2011
North Central Texas Council of Governments

Agenda

- ❑ 1. Welcome
- ❑ 2. Committee Introductions
- ❑ 3. Protocol and Purpose of Committee
- ❑ 4. Presentation by the Texas Department of Transportation on the requirements of Section 228.013, Transportation Code, added by Senate Bill 1420, 82nd Legislature, Regular Session, 2011, and Title 43, Texas Administrative Code, Sections 27.90-27.92
- ❑ 5. Election of committee chair and vice-chair - **ACTION ITEM**
- ❑ 6. Discussion of issues to be addressed by the committee
- ❑ 7. Set date for next meeting - **ACTION ITEM**
- ❑ 8. Adjourn - **ACTION ITEM**

1. Welcome

Welcome to the IH 35E Managed Lanes
Project meeting of the SB 1420
Committee

2. Committee Introductions

- ❑ Michael Morris – NCTCOG
- ❑ Elizabeth Mow – NTTA
- ❑ Bill Hale – TxDOT
- ❑ John Polster – Denton County
- ❑ Alberta Blair – Dallas County
- ❑ Matthew Marchant – City of Carrollton

3. Protocol and Purpose of Committee

□ Protocol

□ Purpose

- For a project in which a private entity has a financial interest in the project's performance: Committee will determine the distribution of the project's financial risk, the method of financing for the project, and the tolling structure and methodology
- Report to Executive Director of TxDOT (*Handout 3.1*)

4. Presentation - Project Delivery



Design Bid Build

- Typical TxDOT delivery method. TxDOT assumes all risks except construction and schedule risk.

Design Build

- Design, Construction and Schedule risk is transferred to the private sector.

Availability Payment

- Private sector designs, builds, finances, operates and maintains the project and receives a payment from the public sector based on performance of the project. Public sector retains demand risk.

Revenue-Based Concession

- Private sector designs, builds, finances, operates and maintains the project and collects the revenue from users of the project and assumes the demand risk

4. Presentation - Project Delivery

Allocation of Risk based on Project Delivery Models

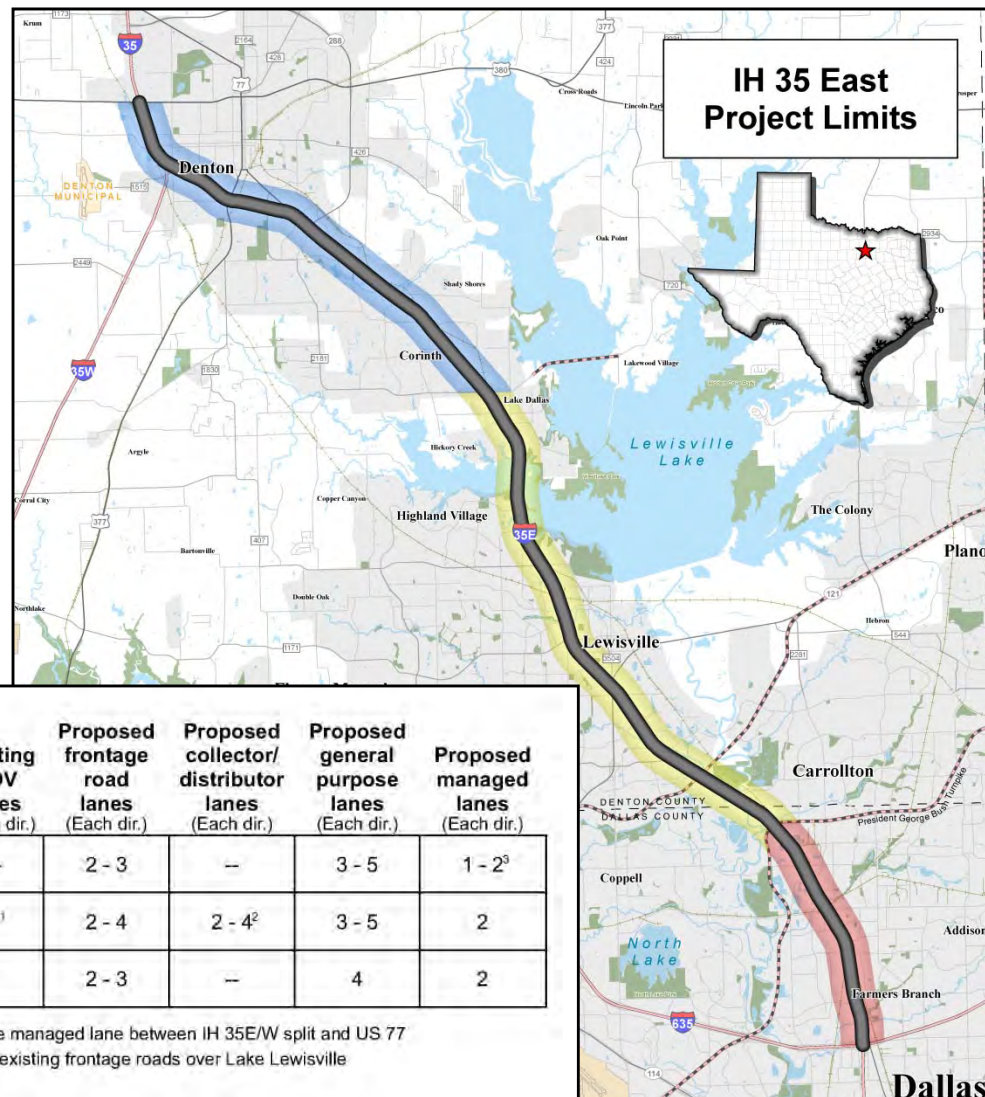
	Design	Construction	Operations/ maintenance	Financing	Revenue
Design bid build	○	●	○	○	○
Design build	●	●	○	○	○
Design build finance operate/maintain (availability payment)	●	●	●	●	○
Design build finance operate/maintain (concession)	●	●	●	●	●

○ Risk retained by Public Sector ● Risk transferred to Private Sector

4. Presentation - Project Description

Ultimate Configuration

- ❑ 2 Managed Lanes in Both Directions
- ❑ 3 to 5 General Purpose Lanes
- ❑ 2 to 4 Lane Frontage Roads
- ❑ Collector-Distributor Roads between PGBT and SH 121



IH 35E Segment
Roadway and Limits

		Existing frontage road lanes (Each dir.)	Existing main lanes (Each dir.)	Existing HOV lanes (Each dir.)	Proposed frontage road lanes (Each dir.)	Proposed collector/distributor lanes (Each dir.)	Proposed general purpose lanes (Each dir.)	Proposed managed lanes (Each dir.)
North	US 380 to FM 2181	2	2	--	2 - 3	--	3 - 5	1 - 2 ³
Middle	FM 2181 to President George Bush Turnpike	2 - 3 ⁴	3	1 ¹	2 - 4	2 - 4 ²	3 - 5	2
South	I-635 to President George Bush Turnpike	2 - 3	3	1	2 - 3	--	4	2

¹Existing HOV lane from SH 121 to IH 635

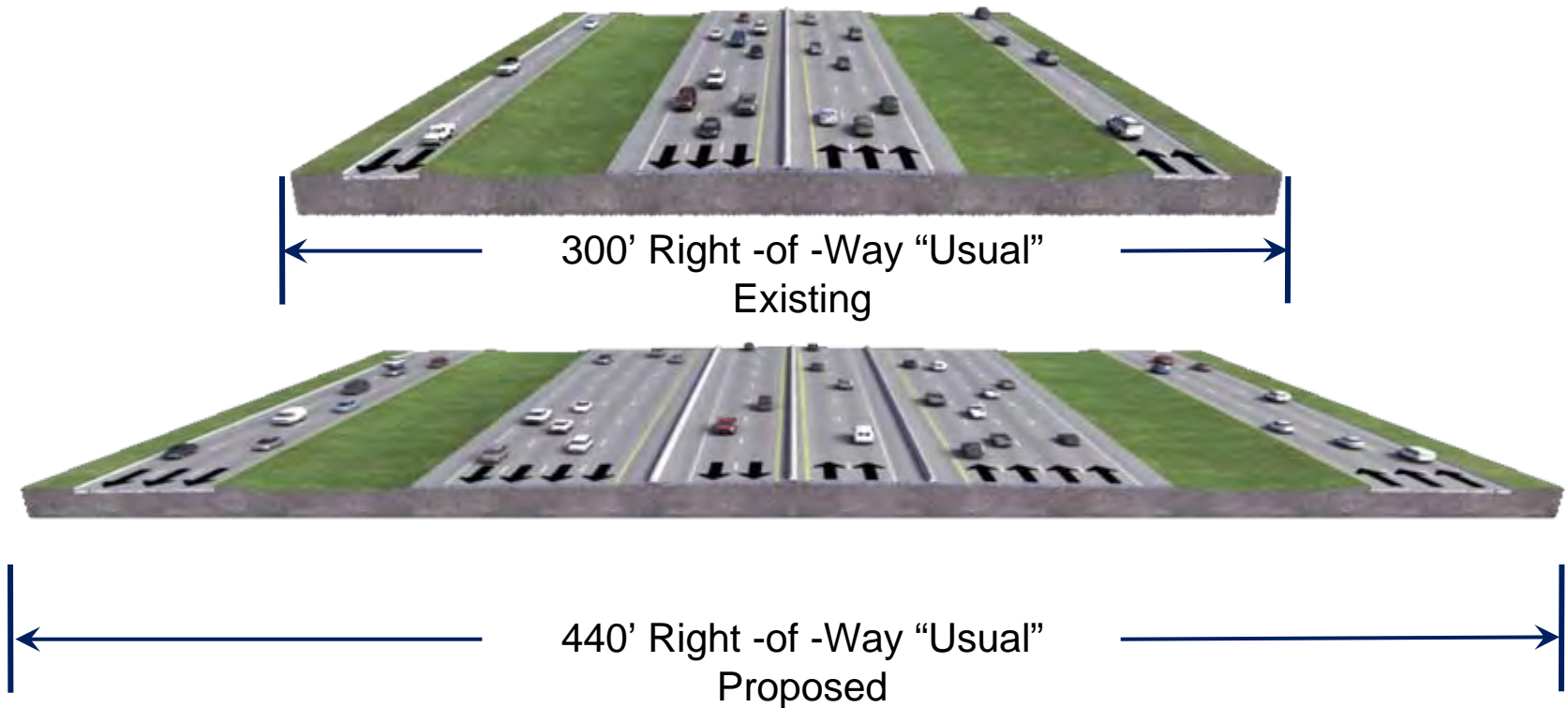
²Collector-Distributor limits from north of SH 121 to south of PGBT

³One managed lane between IH 35E/W split and US 77

⁴No existing frontage roads over Lake Lewisville

4. Presentation - Project Description

□ Ultimate Configuration - Typical Section



4. Presentation - Project Description

Ultimate Configuration Financial Summary (October 2010)

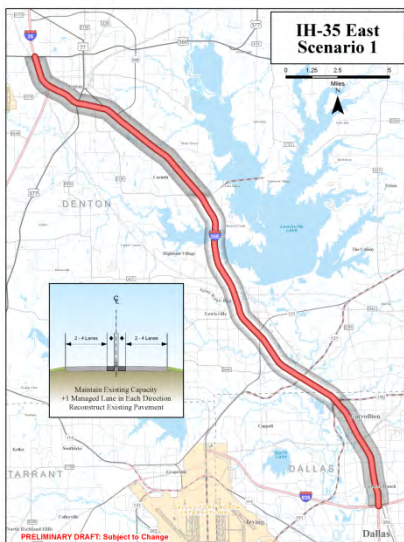
Total Capital Costs (Nominal\$)	\$3,345 m
Total Right of Way Costs (Nominal\$)	\$1,428 m
Total Public Funds Required (For PPP; includes RTR Funds) (Nominal\$)	\$2,987 m
Total Available Public Funds (RTR Funds)	\$595 m

4. Presentation - Project Description

Request for Information (RFI)

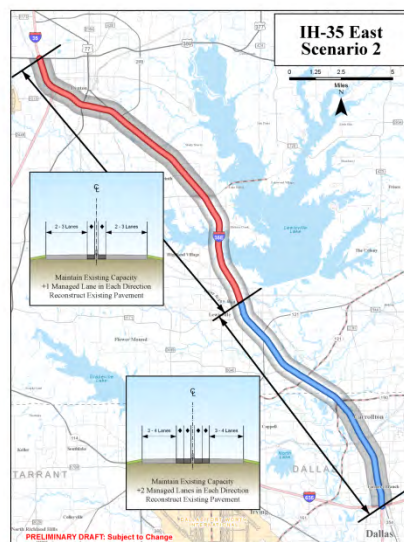
- ❑ Sent to industry on June 10, 2011
- ❑ Received 11 formal responses July 22, 2011
- ❑ Findings:
 - Confirmed financial shortfall
 - Communicated that projects greater than \$2 Billion attract fewer participants
 - Preferred to concentrate on areas of heavier congestion that generated higher revenues
 - Confirmed various solutions
 - Phase/Stage Construction
 - Leverage available funds using **Availability Payments**, or
 - Leverage available funds through **Concession**,

4. Presentation - Project Update



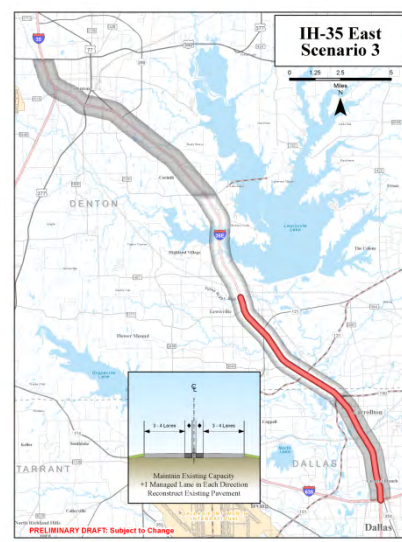
Scenario 1

- ❑ Convert existing HOV to Managed Lane
- ❑ Add 1 Managed Lane in each direction from the end of the HOV lane through to US 380
- ❑ Reconstruct existing pavement
- ❑ Ultimate ROW acquisition
- ❑ Capital costs = \$4.42 Billion (nominal)



Scenario 2

- ❑ Two Managed Lanes in each direction between IH 635 and Valley Ridge Blvd (just south of Lake Lewisville)
- ❑ One Managed Lane in each direction between Valley Ridge Blvd and US 380
- ❑ Reconstruct existing pavement
- ❑ Ultimate ROW acquisition
- ❑ Capital costs = \$4.46 Billion (nominal)



Scenario 3

- ❑ One Managed Lane in each direction from IH 635 to Valley Ridge Blvd
- ❑ Reconstruct existing pavement
- ❑ No improvements north of Valley Ridge Blvd
- ❑ Ultimate ROW acquisition through project limits
- ❑ Capital costs = \$2.52 Billion (nominal)



Scenario 4

- ❑ Two Managed Lanes in each direction from IH 635 to Valley Ridge Blvd
- ❑ Reconstruct existing pavement
- ❑ No improvements north of Valley Ridge Blvd
- ❑ Ultimate ROW acquisition through project limits
- ❑ Capital costs = \$2.56 Billion (nominal)

4. Presentation - Project Update

Financial results for Scenarios 1-4

❑ Concession Option*

- Upfront Public Funds Required = \$0.9 Billion to \$2.5 Billion

❑ Availability Payment*

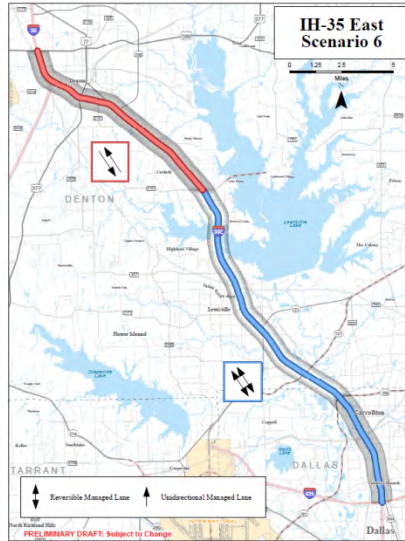
- Upfront Public Funds Required = \$0.5 Billion to \$2.2 Billion
- Nominal operational shortfall = \$0.9 Billion to \$2.8 Billion

❑ Conclusion

- Not financially feasible under any of the financing options
- Reduction in scope needed, with emphasis on maintaining mobility along corridor

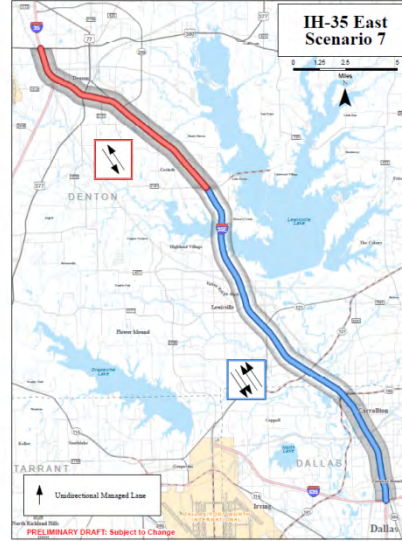
*Assumes RTR funds of \$592 Million

4. Presentation - Project Update



Scenario 6

- Two reversible Managed Lanes between IH 635 and 2181
- One Managed Lane in each direction between 2181 and US 380
- Includes frontage roads across Lake Lewisville
- Re-use existing pavement
- Minimized ROW acquisition where possible



Scenario 7

- Two Managed Lanes in each direction between IH 635 and 2181
- One Managed Lane in each direction between 2181 and US 380
- Includes frontage roads across Lake Lewisville
- Re-use existing pavement
- Minimized ROW acquisition where possible

No Picture

Scenario 8

- Convert existing HOV to Managed Lane
- Construct ultimate section through PGBT and SH 121
- Minor general purpose lane improvements north of Lake Lewisville
- Does not include frontage roads across Lake Lewisville

4. Presentation - Project Update

Scenario 6A

Managed Lanes

Provide two reversible Managed Lanes between IH 635 and Loop 288 (minor improvements up to US 77)

General Purpose and Frontage Roads

Re-use existing pavement where possible, no additional capacity

Lake Lewisville

- Connect frontage roads across Lake Lewisville using tolled bridges
- Build all new southbound frontage roads, general purpose lanes and managed lanes across Lake Lewisville

SH 121/IH 35E Interchange

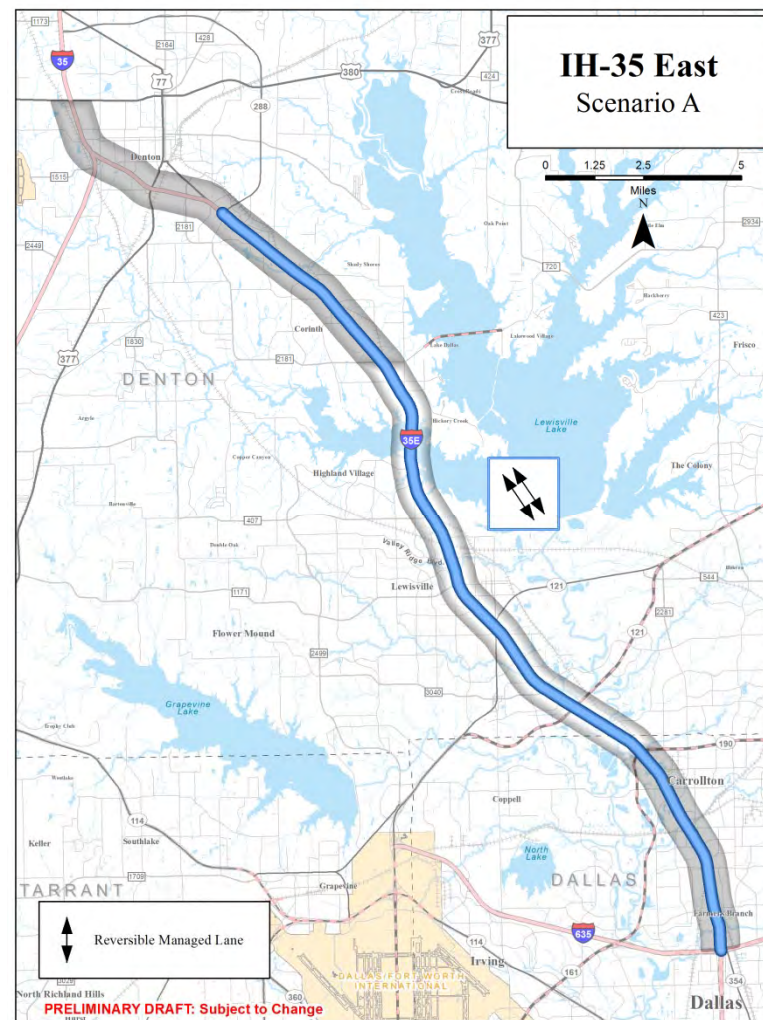
Construct the missing direct connector ramps to the North

Collector Distributor System at PGBT and SH 121

Construct full collector-distributor (CD) system between PGBT and SH121 (toll CD's)

Right-of-Way Acquisition

Minimized ROW acquisition where possible



4. Presentation - Project Update

Scenario 6B

Differences from Scenario A

Collector Distributor System at PGBT and SH 121

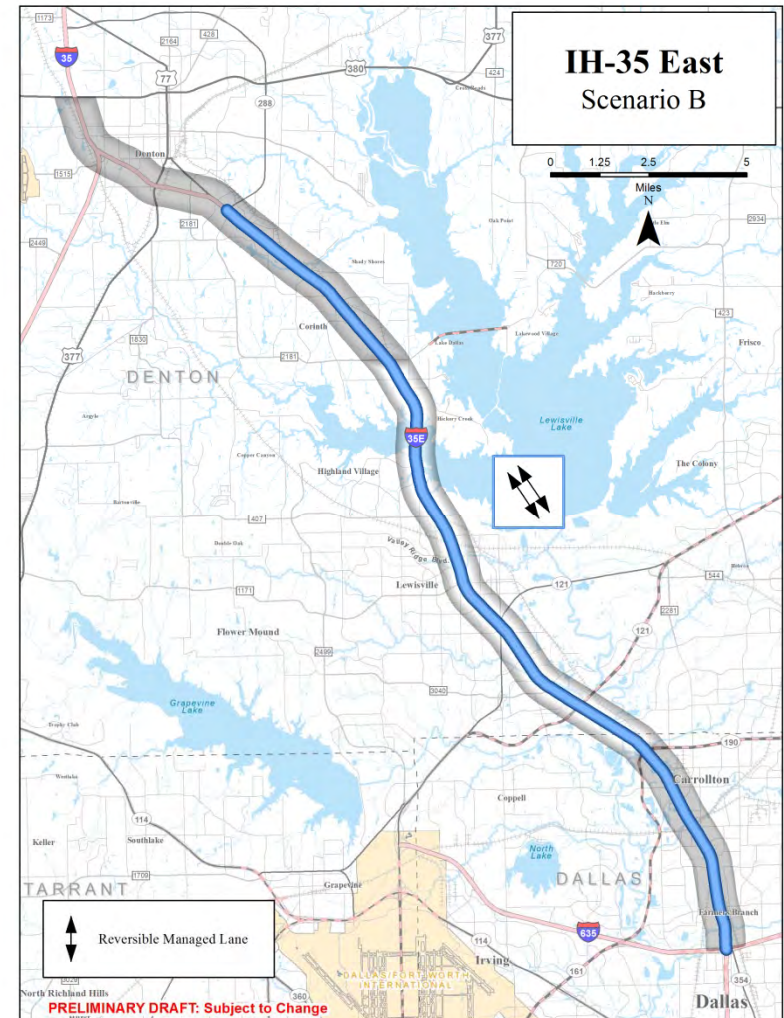
Removes collector-distributor (CD) system between PGBT and SH121 (toll CD's)

Corinth Parkway

Removes interchange conversion at Corinth Parkway

Lake Lewisville

Reduces width of bridge at Lake Lewisville (eliminate sidewalk, reduced shoulders and width for bike lane along frontage road)



4. Presentation - Project Update

Recent and On-Going Activities

- ❑ NTTA waiver of primacy September 21, 2011 (*Handout 4.1*)
- ❑ Submitted TIGER application and TIFIA Letter of Interest for Federal funding assistance on October 31, 2011 based on Scenario 6A
- ❑ Cost, traffic and revenue analysis on Scenarios 6A, 6B and 6C – Due November 15, 2011
- ❑ Financial analysis on Scenarios 6A, 6B and 6C – Due November 17, 2011

SB 1420 Support Staff analysis to be provided at next meeting

- ❑ Capital costs, ROW costs and traffic analysis for Scenarios 6A, 6B and 6C
- ❑ Financial analysis:
 - Scenario 6A – Concession, Availability Payment and Municipal Finance
 - Scenario 6B – Concession, Availability Payment and Municipal Finance
 - Scenario 6C – Design-Build or Design-Bid-Build

4. Presentation - Project Schedule

Milestone	Date
Issue Request for Qualifications (RFQ)	Late 2011
Proposer submission of Qualification Statements in response to RFQ	Early 2012
TxDOT issues short-list of proposers eligible to submit detailed proposals	Spring 2012
TxDOT issues draft RFP to short-listed proposers	Spring 2012
TxDOT issues final RFP to short-listed proposers	Summer 2012
Proposer submission of proposals in response to RFP	Late Summer 2012
TxDOT selection of preferred proposer/conditional award of contract	Fall 2012

4. Presentation - SB 1420 Committee

- ❑ This portion of the presentation will focus on the requirements of Section 228.013, Transportation Code, added by Senate Bill 1420, 82nd Legislature, Regular Session, 2011, and Title 43, Texas Administrative Code, Sections 27.90-27.92
- ❑ Also, the rules are available for viewing at the following website:
[http://info.sos.state.tx.us/pls/pub/readtac\\$ext.ViewTAC?tac_view=5&ti=43&pt=1&ch=27&sch=H&rl=Y](http://info.sos.state.tx.us/pls/pub/readtac$ext.ViewTAC?tac_view=5&ti=43&pt=1&ch=27&sch=H&rl=Y)

(Handout 4.2)

4. Presentation - SB 1420 Committee

❑ Applicability of this Committee

- For a TxDOT toll project in which a private entity has a financial interest in the project's performance (i.e., under a concession agreement or an availability payment)
- Regional funding and/or county or municipal ROW or revenues will be provided to the project

❑ Formation and Membership of Committee:

- NCTCOG (1 member)
- NTTA (1 member)
- County or Municipality (1 member each if applicable)
 - provided local funds to pay for right of way acquisition or other project costs or to acquire right of way for the project, or has provided property of the city or county for use as project right of way; or
 - submitted to the department an order or resolution adopted by the city council or county commissioners court committing local funds or property to the project; and
- TxDOT (1 member)

(Handout 4.3)

❑ Officers

- Committee will elect a chair and vice chair

4. Presentation - SB 1420 Committee

❑ Duties

- Submit a report to the Executive Director of TxDOT that shall contain the following determinations:
 - allocation of revenue risk
 - the method of financing for the project
 - the tolling structure and methodology (*Handout 4.4*)

❑ Failure to Submit Report by RFQ or RFP date, as applicable

- The department will use business terms adopted by the MPO and that relate to the determinations to be included in the report

❑ Meetings

- Subject to Open Meetings requirements
- Committee members can suggest agenda items
- Quorum defined as one half or more of members appointed to the committee
- Only act on majority vote of members present

4. Presentation - SB 1420 Committee

❑ Administrative Support

- On October 31, Executive Director of TxDOT authorized DFW Major Projects Office to act as administrative support for the committee

❑ Duration of Committee

- Ceases to exist once report is issued to Executive Director of TxDOT
- TxDOT can re-convene committee if changed circumstances may result in a change of the committee's determination

Remainder of Agenda Items (5-8)

5. Election of committee chair and vice-chair - **ACTION ITEM**
6. Discussion of issues to be addressed by the committee
7. Set date for next meeting - **ACTION ITEM**
8. Adjourn - **ACTION ITEM**