



IH 35E Managed Lanes SB 1420 Committee

MEETING MINUTES

**November 30, 2011 at 10:00 am
Denton County Transportation Authority
Board Room, 1660 S. Stemmons, Suite 250,
Lewisville, TX, 75067**

IH 35E Managed Lane Project SB 1420 Committee members in attendance:

***John Polster – Denton County
Elizabeth Mow – NTTA
Bill Hale – TxDOT
Alberta Blair – Dallas County
Michael Morris – NCTCOG – Committee Chair
Matthew Marchant – City of Carrollton
Rudy Durham – City of Lewisville***

Support Staff in attendance:

***John Hudspeth
Jack Ingram
John Munoz
Matt MacGregor
Dieter Billek***

A Public Notice of this meeting containing items on the proposed agenda was filed with the Office of the Secretary of State on November 22, 2011 as required by Title 43, Texas Administrative Code, §27.92(f).

Minutes

Item 1 Welcome and Introductions

Michael Morris called the meeting to order and provided some brief opening remarks. Mr. Morris requested that commenters use the microphone for minutes and the public record. John Hudspeth showed a link to the IH 35E website where the SB 1420 presentation and handout materials could be found. Mr. Morris stressed to allow the process to have private sector bring money to the table. Also, Mr. Morris mentioned that additional public funds may be available for the project. Mr. Morris noted that it is beneficial for the committee to move quickly so the project can advance to procurement. There are risks of losing potential private sector partners to other projects that are expected to advance into procurement in the coming months.



Item 2 Approval of minutes from November 10 and 22, 2011

Minutes from the November 10 and 22, 2011 were handed out to the committee. Alberta Blair made a motion to approve the minutes. Bill Hale seconded the motion. The motion was passed unanimously.

Item 3 Proposed Memoranda of Understanding for the SB 1420 Committee and Stakeholders for the development of the IH 35E Managed Lanes Project

Mr. Morris opened the discussion of the Memorandum of Understanding (MOU). Mr. Hudspeth provided a draft of the MOU to the committee members. The MOU incorporated comments received to date. John Polster noted that there was an inconsistency on the naming of the project and he requested that the project be referred to as the I-35E Project throughout the document.

Mr. Morris proposed that the MOU principles be integrated in how the project moves forward. He suggested that rather than the 1420 Committee develop a MOU they develop a set of guiding principles that the committee can present to the Regional Transportation Council (RTC). The RTC could then present the guiding principles to the Texas Transportation Commission, conveying a set of principles on how the stakeholders want the corridor to be developed. Jack Ingram elaborated on this by saying that some of the principles may be outside the legislative charge of the 1420 Committee and there is a concern that the MOU could be rejected on legal grounds if brought forth by the 1420 Committee. Therefore, the RTC may be better suited to present the guiding principles to the Commission.

Mr. Morris provided several example principles that he would like to see in the document. The first example was that money collected in the corridor stays in the corridor. Also, he would like to grandfather the 2+ users. He would like to use the next meeting to fine tune the principles and then vote on the final principles at the following meeting. He asked that feedback be sent to the committee members with the goal of establishing a broad set of principles. However, he does not wish to establish so many principles so that the private sector is handcuffed and can't provide innovation. Matthew Marchant asked that the MOU include a definition of the project. Elizabeth Mow asked if it was expected that the committee still sign the document. She was concerned that it would take approval of the NTTA Board which might take some time. Mr. Morris stated that the signatures were not as important since it will no longer be an MOU. There would be a clause added to the document that stated who is on the committee and then the Chair would sign the document. Mr. Morris stated that he thought these principles would go to the RTC in the second Thursday in January. Rudy Durham noted that there was a double negative in the current document that should be corrected.

John Munoz asked that the committee members present the shell committee report document (Handout 5.1) to their respective organizations so they can feel comfortable with it since that document would require committee member's signatures. Ms. Mow did not think that there would be a problem with the committee report since it is what the committee is specifically tasked to do.

Mr. Polster commented that actually the MOU would be changed to a resolution and signed by the committee Chair. There was general agreement to this proposal. It was agreed that the principles developed by the committee would be attached to a Resolution and presented to the RTC.



Item 4 Continued discussion of Options

Mr. Hudspeth presented options that the technical group developed since the last meeting. Mr. Munoz added that while the work was done quickly and that while the information may not be exactly precise the information presented is at a level to make decisions on.

Mr. Hudspeth presented a recap of previously presented Scenario 6A. Mr. Polster noted that in some areas of the collector-distributor system the collector-distributor would be elevated. Mr. Morris noted that it is important to remember that this is not necessarily the option that we are going forward with since we don't know how much funding the project will have. It is an example of what could be built. Charles Emery asked where the existing railroad bridge was on the graphic of the proposed configuration over Lake Lewisville. Mr. Hudspeth noted that the railroad bridge is located east of the north bound bridge and will remain.

Mr. Munoz provided a recap of the financial analysis for Scenarios 6A, 6B, and 6C for the concession, design-build and availability payment financing options. Mr. Morris noted that the committee doesn't want a policy that is solely focused on maximizing revenue generation, but also doesn't want a scope that doesn't address the needs of the corridor. One goal of the facility is to minimize throwaway work. Mr. Morris requested that the table showing the financial results for Scenarios 6A, 6B, and 6C be modified in the future to show the delta without the \$592 included.

Mr. Morris suggested that we develop a plan on how the corridor gets developed over time as more money becomes available over time. Mr. Morris suggested this be added as a guiding principle. Mr. Polster asked that the map showing Scenario 6A be modified to highlight the areas that will be permanent construction, moving toward the ultimate configuration.

Mr. Hudspeth presented options developed for Scenario 6A+ with costs of different options that could be added to Scenario 6A. TxDOT will attempt to provide the revenue impacts of the different options presented for Scenario 6A+.

Mr. Hudspeth presented information on adding a general purpose lane to Scenario 6A. Mr. Polster asked for some historical comparisons for LBJ on what the ROW was estimated prior to purchase and what it ended up being once it was purchased. Mr. Hudspeth noted that the same people that worked on the ROW during the LBJ are the same people who are developing the ROW costs for IH 35E. The main question is whether the estimated ROW costs are too high. It was noted that TxDOT is currently relooking at the ROW costs and it is hoped that more information will be available at the next meeting. Mr. Hudspeth noted that the driver of the costs was the ROW needed by adding the additional general purpose lane and moving the frontage roads to accommodate this additional lane. Mr. Hudspeth also noted that there would be a negative impact to revenue due to the addition of the general purpose lane in the range of 10 – 20 percent. Mr. Hudspeth noted that the analysis was developed using assumptions using experience with this type of analysis. Mr. Morris suggested that the work to develop new ROW costs be performed in parallel with the work the committee is doing.



Mr. Marchant suggested that Scenario 6A GP is what the committee should be shooting for. Mr. Polster wanted to ensure that the committee did not limit the ability for the private sector to provide value to the project. Mr. Polster asked about the ROW between FM 407 and FM 2181. Rachel Lunceford stated that the full build of FM 407 was included in Scenario 6A and the design ties back in to the existing alignment by FM 2181. Mr. Polster asked that TxDOT confirm that the entire ROW between FM 407 and the lake was being acquired. He also asked if the bridge structures between FM 407 and the lake were being replaced. Ms. Lunceford responded that if there was an overpass it is shown to be replaced. If the interstate goes over the side road, the bridge is not replaced.

Mr. Munoz emphasized that TxDOT has not lost sight of the ultimate project when going to procurement. The private sector can provide proposals that are greater than the base project. The private sector could also provide prices for additional project elements that could be constructed within a limited period of time after procurement if additional public funds are available.

Mr. Polster commented that ROW is currently being purchased along the corridor and asked that TxDOT confirm the actual purchase price of the parcels being purchased is the price included in the ROW cost.

Item 5 Staff presentation regarding SB 1420 report to Executive Director of TxDOT

Mr. Hudspeth presented the shell document of the SB 1420 Committee report to the Executive Director of TxDOT.

Mr. Morris asked if the committee would be interested in advancing a concession, design-build, and availability payment model to allow for greater private sector innovation and allow the private sector to provide input on what is the best option for procurement. He suggested two more meetings. He asked to see a modified report with these three options presented as a multiple procurement. This would allow the project to move into procurement quickly before other projects enter the market.

Mr. Polster asked how the stakeholders would be included in the procurement process given the privacy and confidentiality associated with the procurement process. Mr. Morris suggested that the guiding principles could include a requirement that stakeholders be included in the procurement process. The amount of funding that can be found is a function of what is proposed during the procurement process.

Mr. Munoz stated that specificity in the procurement process is the best way to obtain the best value for the project. Choosing a delivery model as soon as possible will optimize the value brought to the project by the private sector. Mr. Munoz suggested that TxDOT could look into the confidentiality agreements to see how stakeholders can be involved, or could provide stakeholders updates throughout the procurement process to keep stakeholders informed of ideas brought forth by proposers. Mr. Morris asked that TxDOT provide a recommendation on what the best way stakeholders can be involved in the project that maximizes value in order to leverage additional revenue to build more of the project. The response could influence the committee's determinations.

Item 6 Status report on Partnership funds



**IH 35E Managed Lanes Project
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Mr. Morris discussed several meetings that have taken place that could lead to additional funds for the project. Mr. Morris thanked everyone who has participated in these discussions. Judge Mary Horn added that everyone is anxious to move to the next step but realized that there is a process to go through and emphasized that it be done right.

Mr. Polster requested additional information on the RTR funds and the rules and regulations that are related to these funds.

Mr. Morris stated that it is his goal to have two more committee meetings, contingent upon the fact that stakeholders will continue to have a voice in the process.

The next meeting was scheduled for Friday, December 9 at 2:00 in Lewisville City Hall Council chambers. The meeting following that will be held December 19 at 10:00 in Carrollton, pending room availability.

The agenda for December 9 will include RTC policy for tolling of the managed lanes, discussion of the 1420 report on the three options for procurement, RTR revenues rules and regulations research, guiding principles, additional discussion on options that haven't been already discussed.

The agenda for the December 19 meeting will be to take action on all remaining items: guiding principles, baseline project, and approval of 1420 report.

Item 7 Adjourn

There was a motion to adjourn. The motion was passed.