



IH 35E Managed Lanes SB 1420 Committee

MEETING MINUTES

**December 19, 2011 at 10:00 am
City of Carrollton, City Hall Council Chambers
1945 E. Jackson Road
Carrollton, Texas 75006**

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
Pete Kamp – City of Denton***

Support Staff in attendance:

***John Hudspeth
Jack Ingram
John Munoz
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 December 9, 2011 as required by Title 43, Texas Administrative Code, §27.92(f).

Minutes

Item 1 Welcome and Introductions

Michael Morris provided a few brief opening remarks and went over the agenda for the meeting. Mr. Morris stated that the public comment portion of the meeting would be moved up so that input from the public could be made prior to any action being taken by the committee on any of the agenda action items.

Item 2 Approval of minutes from December 9, 2011 meeting of the SB 1420 Committee

Minutes from the December 9, 2011 meeting were provided to the committee. There was a motion to approve the minutes and a second to the motion. The motion was passed unanimously.



Mr. Morris suggested that the public comment portion of the meeting (Item 5) be held at this time. There were no objections to his suggestion.

Item 3 Discussion and possible approval of Guiding Principles for the construction and operation of the IH 35E Managed Lanes Project to be recommended for adoption by the Regional Transportation Council

Mr. Morris suggested that DART, TxDOT, and the Regional Transportation Council (RTC) be recognized for their previous funding on the immediate action HOV lanes that are existing along the corridor. Matthew Marchant asked if this meant that if these lanes were converted to managed lanes, there would be a repayment to these entities for their previous funding contribution to the project. Mr. Morris answered that he was not sure, but acknowledged the possibility that this could happen and wanted to recognize this in the document in the event that it does happen. Elizabeth Mow asked for further clarification of the issue. Mr. Morris explained that DART, TxDOT, and the RTC previously funded the immediate action managed/HOV lanes that would be transitioned to this project. Alberta Blair asked if this was a historical “whereas”. Mr. Morris answered that it was.

Mr. Morris suggested that the committee recommend to TxDOT that the RFQ only include design-build and concession delivery. He also suggested adding a new Section 6 in the Guiding Principles document that stated the RTC requests that TxDOT and the SB 1420 Committee advance one financial method before the request for proposal (RFP) process so only one delivery method is included in the RFP. Mr. Morris suggested that including two models in the RFP will reduce competition. John Hudspeth and John Munoz did not see a problem with this approach. Mr. Munoz also stated that it would be beneficial to also include the base project scope in the RFP. John Polster asked for clarification and Mr. Munoz stated that the RFQ will include the entire (ultimate) project scope noting that additional funding is being sought and financial feasibility analysis is being performed to determine a scope that can move forward through the procurement process once more information on funding is available.

Mr. Morris asked for a motion to approve the additions to the Guiding Principles documents. Pete Kamp made the motion. Ms. Mow seconded the motion. The motion passed unanimously.

Mr. Polster requested the repayment schedule on the Regional Toll Revenue (RTR) funds that Denton County loaned to Dallas County to finish the LBJ purchase. Mr. Morris asked a member of his staff to send this information out to the committee members.

Item 4 Discussion and possible authorization for TxDOT to issue a Request for Qualifications for the IH 35E Managed Lanes Project

Mr. Polster asked TxDOT to expand on the delivery models being considered. He also suggested that the wording be changed to “concur” with the state’s intent to issue the RFQ rather than “authorize”. Mr. Munoz responded that a concession model transfers the most risk to the private sector. Design-build allows TxDOT to keep most of the risk including the financing and long-term operations and maintenance. Design-build can include optional maintenance agreement for up to fifteen years (3, 5-year option periods) under a capital maintenance agreement. Mr. Munoz stated that TxDOT would



typically be more efficient in financing a project under a design build model than the private sector under an availability payment model.

Bill Hale stated that the design-build and availability payment models were generally the same. He stated there was some feedback from the Attorney General's office on the legality of the availability payment model. Mr. Hale asked how easy it would be to change from a design-build to an availability payment option at a later time. Mr. Morris asked if by limiting the RFQ to two options, if TxDOT was handcuffing themselves. Mr. Munoz stated that by moving forward with the two options, the project could be procured prior to the end of 2012. Mr. Munoz stated that under a design-build delivery TxDOT would finance the project, but as the project gets closer to opening, a procurement could be performed for the long-term operations and maintenance of the facility which would be similar to the availability payment model.

Mr. Morris stated that a potential revenue source for the project from Dallas County could be created from the IH 30 Managed Lanes project.

Mr. Marchant suggested that a way to frame this agenda item is that the SB 1420 committee "request" TxDOT provide more information to select a delivery model rather than "authorize" TxDOT to move forward with an RFQ.

Ms. Blair asked for clarification on the use of the IH 30 revenues for the financing of the IH 35E project. Mr. Morris stated that not all of the revenues would go to IH 35E and the RTC would have to decide on where the funds would go hopefully prior to the submittal of the qualifications on the IH 35E project.

Jack Ingram noted that there was not an official action required from the committee for TxDOT to issue an RFQ. Mr. Polster made a motion requesting TxDOT to provide more information for the committee to select a delivery model. Mr. Marchant seconded the motion. The motion passed unanimously.

Item 5 Public Comments

Mr. Morris opened the meeting to public comments after Item 2 so comments could be made and taken into account prior to any committee action during the meeting. Denton County Commissioner Andy Eads asked if the Denton County Commissioner's court would be able to provide input on the Guiding Principles document that would be accepted by the RTC subsequent to the December 19, 2011 SB 1420 Committee meeting. Mr. Morris responded that the SB 1420 Committee meeting would take action on the Guiding Principles document and any further input to be provided by the Denton County Commissioner's court could be taken to the RTC in January. Ms. Kamp asked if there were concerns with the document that could be addressed now. Mr. Eads stated that there were no specific comments at this time but wanted to allow the Commission's Court to provide input on the document.

Mr. Morris opened up the public comments again after Item 5. There were no additional comments.

Mr. Morris provided an update on the TIFIA application. The project was not selected in the latest round, but will be resubmitted in the next TIFIA funding round.



Mr. Morris opened discussion regarding when the next meeting would be. He noted that there may be good news on the right-of-way costs, TxDOT was going to continue looking at options, and additional project funding is still being sought. He thought that by early February, there should be more information available for the committee to meet again.

Ms. Mow asked for TxDOT to provide information regarding what the confidentiality requirements would be for the committee members once the RFQ is released. Mr. Ingram noted that there will be some rules of contact for proposers that will limit them from meeting with Stakeholders and talking about the procurement. Mr. Hudspeth will send out the information that is included in the RFQ regarding confidentiality and will send the RFQ to the committee once it is released. After a question from Mr. Polster, Mr. Ingram clarified that there not be communication between stakeholders and potential proposers.

Mr. Hudspeth will send three potential options on meeting times between the first of February and the 15th for the next meeting. It was suggested that Denton City Hall be the location of the next meeting time.

Item 6 Adjourn

Ms. Blair made a motion to adjourn. Mr. Hale seconded the motion. The motion passed unanimously.