

TEXAS TRANSPORTATION COMMISSION

DALLAS AND DENTON Counties

MINUTE ORDER

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DALLAS District

Transportation Code, Chapter 228 and other applicable law, including Government Code, Chapter 1371, authorizes the Texas Transportation Commission (commission) to issue toll revenue bonds, notes, and other obligations to finance toll projects or systems on the state highway system, and to enter into trust agreements governing matters relating to the issuance of such obligations.

In Minute Order 113350 dated November 15, 2012, the commission designated the I-35E Managed Lanes Project (project), from I-635 to US 380 in Dallas and Denton counties, including all managed lane connections, as a toll project on the state highway system.

Pursuant to Minute Order 114424 dated November 19, 2015 and the Transportation Infrastructure Finance and Innovation Act of 1998 (TIFIA), the commission entered into a TIFIA Loan Agreement, dated November 3, 2016, with the United States Department of Transportation, for a loan in the amount of \$285,000,000 to pay a portion of the eligible project costs of the project (Loan Agreement), and executed a Trust Agreement dated November 1, 2016 securing the I-35E Managed Lanes Project Toll Revenue Obligations (Trust Agreement) and a First Supplemental Agreement dated November 1, 2016 securing the Loan Agreement and the Texas Transportation Commission Toll Revenue Converting Tier Note (I-35E Managed Lanes Project), Series 2016.

Pursuant to Section 505 of the Trust Agreement, the commission has covenanted that, on or before the 30th day prior to the end of each fiscal year, it will direct the Texas Department of Transportation (department) to prepare a preliminary budget for the ensuing fiscal year, and that, on or before the business day preceding the first day of each fiscal year, it will adopt an annual budget of revenues, operating and maintenance expenses, and capital expenditures for the project and deliver copies of the budget to the trustee and the general engineering consultant.

The department has completed the budget, which is attached as exhibit A. In accordance with Section 505 of the Trust Agreement, the preliminary budget was provided to the Trustee and general engineering consultant prior to consideration by the commission.

IT IS THEREFORE ORDERED by the commission that the commission adopts the annual budget for the I-35E Managed Lanes Project for fiscal year 2025 attached hereto as exhibit A.

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DALLAS District

IT IS FURTHER ORDERED that the executive director is hereby authorized to make necessary adjustments to spending levels in accordance with the Trust Agreement as may be necessary in the operation of the project.

Submitted and reviewed by:

Recommended by:

DocuSigned by:

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Director, Project Finance, Debt and
Strategic Contracts Division

DocuSigned by:

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Executive Director

116767 August 22, 2024

Minute Number	Date Passed
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EXHIBIT A



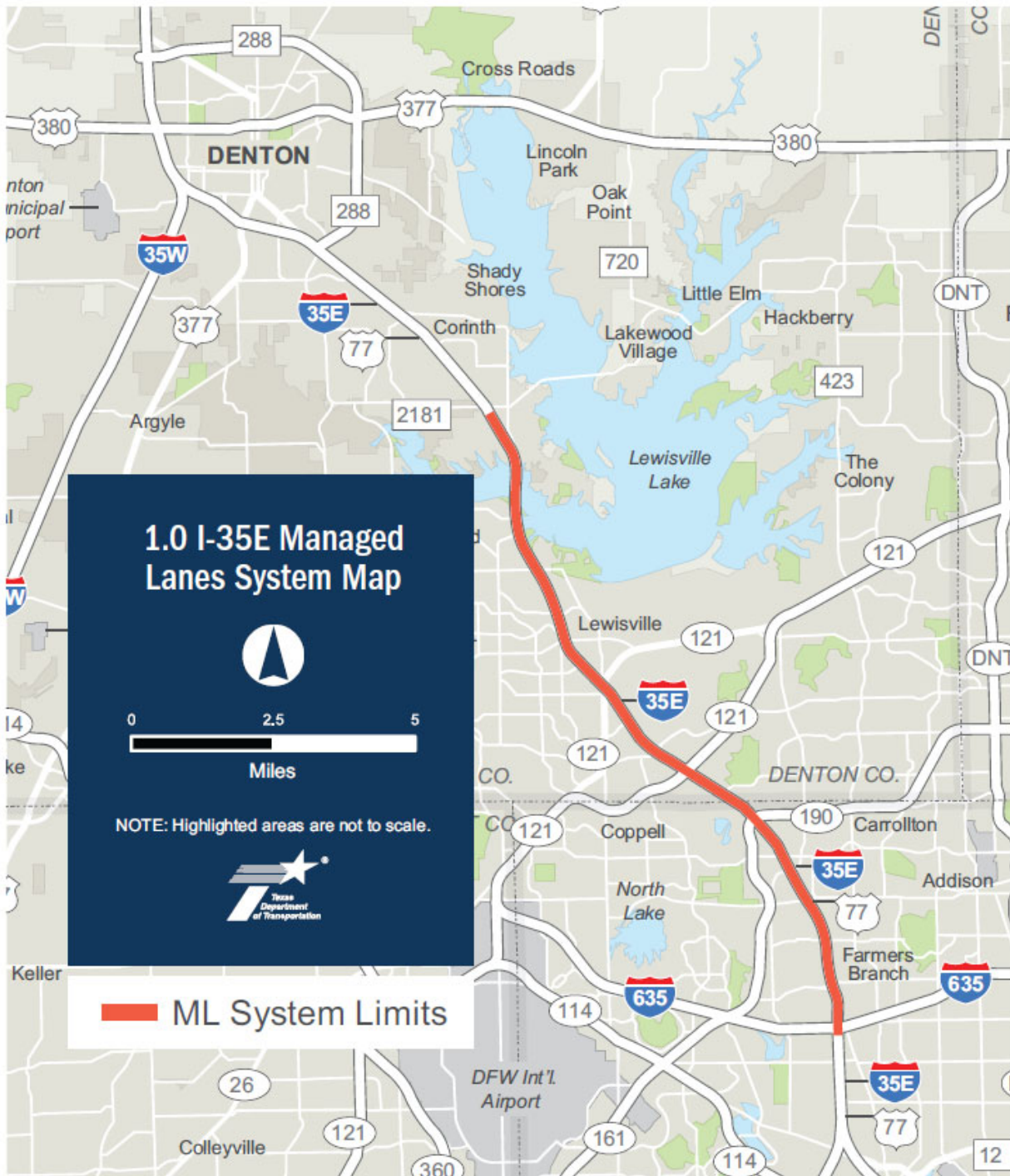
I-35E Managed Lanes System

FY 2025 Annual Budget



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**I-35E Managed Lanes System
Preliminary Annual Budget
For the Fiscal Year Beginning September 1, 2024**

Texas Transportation Commission

In 2013, the Texas Department of Transportation (“Department”) executed a development agreement with AGL Constructors to construct and reconstruct 30 miles of I-35E from US 380 in Denton County to I-635 in Dallas County. Included in the project is the construction of two reversible tolled managed lanes that extend approximately 19 miles from I-635 in Dallas County to Swisher Road in Denton County (“I-35E Managed Lanes System” or “System”). Tolling commenced on the managed lanes on May 20, 2017.

Overview of the Requirements

To finance a portion of the costs of the project, the Texas Transportation Commission (“Commission”) executed a Trust Agreement dated November 1, 2016 securing the I-35E Managed Lanes Project Toll Revenue Obligations (“Trust Agreement”), and a Transportation Infrastructure Finance and Innovation Act of 1998 loan (“TIFIA loan”). Pursuant to the financing agreements the Commission covenants that it will cause the following to occur related to budgets:

- The General Engineering Consultant will make an inspection of the I-35E Managed Lanes System and submit a report that includes their advice and recommendations as to the proper maintenance, repair and operation of the system and an estimate of the amount of money necessary for such purposes.

Due: On or before the 90th day prior to the end of each fiscal year.

- The Commission will adopt the “Annual Budget” for the System consisting of a budget of revenues; operating, maintenance and major maintenance expenses, and capital expenditures; and payments into the Debt Service Funds, the Major Maintenance Fund and the Rate Stabilization Fund.

Due: On or before the business day preceding the first day of each fiscal year.

I-35E Managed Lanes System FY 2025 Annual Budget

Amounts in Thousands

Revenues						
Toll Revenues						33,435
Investment Income						2,215
Total Revenues						\$ 35,650
Operating & Maintenance ("O&M") Expenses ¹						
Operating Expenses						
Toll Operations ²						5,353
Roadway Operations						927
General & Administrative Expenses						1,021
Subtotal Operating Expenses						\$ 7,300
Maintenance Expenses						
Toll System Maintenance						1,080
Roadway Maintenance						1,400
Subtotal Maintenance Expenses						\$ 2,480
Total O&M Expenses						\$ 9,780
TIFIA Debt Service						\$ 8,330
Required Transfers to Debt Service Reserve Fund ³						\$ 690
Major Maintenance & Capital Expenditures ⁴						
Major Maintenance Expenditures						2,590
Capital Expenditures						7,500
Total Major Maintenance & Capital Expenditures						\$ 10,090
Grand Total O&M, Debt Service, and Capital Expenditures						\$ 28,889
Revenues Available after O&M, Debt Service & Capital Costs						\$ 6,760
Required Transfers						
Retained in Revenue/O&M Fund ⁵						1,630
Transfers to Major Maintenance Fund ⁶						17,927
Transfers to Rate Stabilization Fund ⁷						-
Total						\$ 19,557
Five Year Capital Budget						
	2025	2026	2027	2028	2029	
	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029	TOTAL
Major Maintenance Expenditures	2,590	2,832	2,910	2,994	3,068	\$ 14,393
Capital Expenditures	7,500	-	-	-	-	7,500
Total Capital Budget	10,090	2,832	2,910	2,994	3,068	\$ 21,893

Totals may not sum due to rounding.

Notes:

¹ Includes all reasonable and necessary expenses of operating, maintaining and repairing the I-35E Managed Lanes System including associated right-of-way.

² Reflects costs associated with a toll services agreement with the North Texas Tollway Authority.

³ Represents amounts required to satisfy the TIFIA debt service reserve requirement.

⁴ Includes current fiscal year projection of major maintenance and capital expenditures.

⁵ Represents one-sixth of FY 2025 O&M expenses to be retained in O&M Fund.

⁶ Represents additional amounts required to satisfy the major maintenance reserve requirement.

⁷ Funded over time from available revenues remaining after all funding requirements are met, up to \$25 million.