

**TEXAS TRANSPORTATION COMMISSION
MINUTE ORDER**

VARIOUS Counties

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FORT WORTH District

Pursuant to Chapter 366, Transportation Code, the North Texas Tollway Authority (NTTA) may construct, operate, maintain, expand, or extend a toll project in Collin, Dallas, Denton, and Tarrant counties, and in counties contiguous to those four counties. Under Chapter 373, Transportation Code, the NTTA has primary rights and responsibility to develop, finance, construct and operate a toll project within its jurisdiction.

State Highway 360 is a planned approximately 15-mile toll project in Tarrant, Ellis, and Johnson counties from just south of I-20 to US 67, and has been divided into two sections for project development. Section 1, from south of I-20 to US 287, is the initial project planned for development (SH 360 Project).

The SH 360 Project includes the design, construction, and, at the election of the Texas Department of Transportation (department), maintenance of approximately 9.7 miles of improvements, generally from Green Oaks Boulevard to US 287. The improvements include two toll lanes in each direction from East Sublett Road/Camp Wisdom Road to East Broad Street and one toll lane in each direction with periodic passing lanes from East Broad Street to US 287, in addition to frontage road and intersection improvements.

By Minute Order 113802, dated December 19, 2013, the Texas Transportation Commission (commission) authorized the department to negotiate a project agreement and a financial backstop agreement for the SH 360 Project, based on the term sheet for the development, financing, construction, operation and maintenance of the SH 360 Project approved by the NTTA Board of Directors in Resolution No. 13-178, and to present the project agreement and the financial backstop agreement to the commission for approval.

Pursuant to the project agreement between the department and the NTTA (Project Agreement), the department will contribute up to \$300 million to fund for the design and construction of the SH 360 Project and will procure, design, and oversee the construction of the SH 360 Project. The department will perform routine and capital roadway operations and maintenance on behalf of NTTA for 5 years, then at the department's discretion thereafter, subject to reimbursement from project revenues. The NTTA will provide the tolling services and will be responsible for the routine and capital operations and maintenance of the toll collection equipment and system.

Upon evaluation of the available project funding and finance options, the department, the NTTA, and the Regional Transportation Council (RTC), the transportation policy body of the North Central Texas Council of Governments (NCTCOG) negotiated a financial backstop agreement under which the RTC will provide certain financial support for the SH 360 Project (Financial Backstop Agreement).

The Project Agreement and Financial Backstop Agreement provide that construction costs and other SH 360 Project costs funded by the department, including certain right of way costs, utility costs, and consultant costs, will be reimbursed by the NTTA from project revenues, and that if revenues are insufficient to repay the department in full, or to pay for project operating and maintenance costs, the RTC will repay unpaid amounts through the commission's reduction of the region's Unified Transportation Program (UTP) allocation in the amount of those shortfalls, or from other available funds identified for or allocated to the region.

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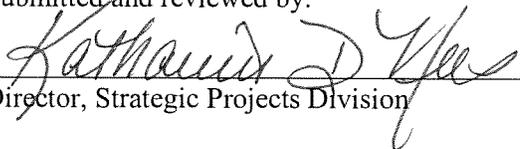
The Project Agreement contains the terms for NTTA's repayment to the department of up to \$294 million for development costs incurred, at a rate of 4.25%, compounded annually. The repayment term is 35 years after the date of substantial completion of the SH 360 Project, which includes deferment of principal and interest for 5 years after the substantial completion date and a 5 year interest-only period commencing from the 5th anniversary of the substantial completion date and ending on the date that is one day before the 10th anniversary of the substantial completion date.

Transportation Code, §223.242 authorizes the department to enter into up to three design-build contracts each year for highway projects with a construction cost estimate of \$50 million or more. Development of the SH 360 Project will provide significant congestion relief within the developing areas of south Arlington, Mansfield and Grand Prairie while providing an improved north/south alternative to regional motorists. The project meets the conditions necessary for design-build delivery.

IT IS THEREFORE ORDERED that the Project Agreement between the department and the NTTA, and the Financial Backstop Agreement between the department, the RTC, and the NTTA are approved, and the executive director of the department is authorized to execute and deliver those agreements on behalf of the department.

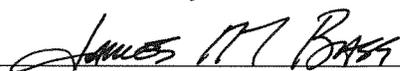
IT IS FURTHER ORDERED that the department is authorized to publish in the *Texas Register* and post on the department's Internet website a request for qualifications for the development, design, construction, and maintenance of the SH 360 Project.

Submitted and reviewed by:



Director, Strategic Projects Division

Recommended by:



Interim Executive Director

113861 FEB 27 14

Minute Date
Number Passed

SH 360 south of I-20

