

AGENDA

GENERAL MEETING OF THE BOARD OF DIRECTORS OF THE ALAMO REGIONAL MOBILITY AUTHORITY

**Greater Kelly Development Authority
Main Conference Room
143 Billy Mitchell Blvd. Suite No. 6
San Antonio, Texas**

**Wednesday, August 10, 2005
12:00 PM**

- 1) Call meeting to order.
- 2) Approval of AlamoRMA July 13, 2005 Board of Directors Meeting Minutes.
- 3) Discussion and appropriate action on the financial statements for the period ending July 31, 2005. (Jama Lopez)
- 4) Discussion and appropriate action on the AlamoRMA Board Governance Policy (General McBride)
- 5) Briefing on the status of the development, design, construction, finance, maintenance and operation of tolled, managed lanes on Loop 1604 from SH 151 to I-10 and US 281 from Loop 1604 to north of Borgfeld Road. (AlamoRMA/TxDOT).
- 6) Citizens' Communications (citizens must sign the register to speak).
- 7) Presentation/briefing – Executive Director Report. (Tom Griebel)
- 8) Executive Session - Pursuant to Chapter 551, Subchapter D, Texas Government Code:
 - A. Subsection 551.071(1). Consultation with Attorney – Consultation with, and advice from legal counsel concerning pending/contemplated litigation, settlement offers and negotiations, and other legal issues.
 - B. Section 551.074. Personnel Matters – Deliberation concerning the appointment, employment, reassignment, evaluation, duties, discipline, and/or dismissal of personnel.
 - C. Section 551.072. Deliberation Regarding Real Property - Discussion of real property purchase, exchange, lease, gift, donation, and/or negotiated settlement, including

property to be acquired for right-of-way.

Adjournment

NOTES

Agenda item numbers are assigned for ease of reference only, and do not necessarily reflect the order of their consideration by the AlamoRMA Board of Directors.

ALAMO REGIONAL MOBILITY AUTHORITY ACCESSIBILITY STATEMENT FOR DISABLED PERSONS

This meeting site is accessible to disabled persons as follows: Entrance to the Greater Kelly Development Authority is accessible through the main entrance at 143 Billy Mitchell Blvd. Suite 6. Parking spaces reserved for the disabled are located at the main entrance. Persons with disabilities who plan to attend this meeting and who may need auxiliary aids or services, such as interpreters for persons who are deaf or hearing impaired, and readers of large print or Braille, are requested to contact Kimberly Miller at (210) 362-7830 at least two working days prior to the meeting so that appropriate arrangements can be made.

Presenters with audiovisual needs are requested to contact Kimberly Miller at (210) 362-7830, at least two working days prior to the meeting. Public comment on agenda items – interested persons may speak on any of the agenda items provided they have signed the register available at the entrance of the meeting prior to consideration of that item by the board. The Chairman may limit the amount of time allowed for each speaker. Public comment that does not relate to a specific agenda item must be made during the Citizens' Communications period provided that speakers have signed the register available at the entrance of the meeting prior to speaking.

Posted: August 4, 2005 5:00 p.m.

ALAMO REGIONAL MOBILITY AUTHORITY

Board Meeting, July 13, 2005, Noon, in the Greater Kelly Development Authority Main Conference Room, 143 Billy Mitchell Blvd., Suite 6, San Antonio, Texas

MEETING

1. **Call Meeting to Order.** Chairman B. Thornton called the meeting to order at 12:06 p.m. All members were in attendance. Chairman Thornton welcomed visitors and guests in the audience. He recognized Texas Transportation Commissioner Hope Andrade and asked her to make a few brief comments. She said she was pleased to be at this meeting and hoped her presence reconfirms the commitment the state has in working with the AlamoRMA.

2. **Approval of AlamoRMA Special Board of Directors June 8, 2005 and Board of Directors June 8, 2005 Meeting Minutes.** Chairman Thornton asked for a motion to approve the minutes of the June 8 meetings. *W. McBride made the motion to accept the minutes of the Special Board Meeting of June 8, and the Board Meeting of June 8, 2005 as presented. J. Reed seconded. Motion passed.*

3. **Citizens' Communications.** Speakers signed to speak were: Ms. Helen Rodgers and Ms. Bonnie Terry, members of the Texas Toll Party Association. Both individuals spoke of their concern of the chemical emissions from fuels; having to pay to drive on roads already paid for by various taxes and used the expression of "double taxation without representation"; said they supported "smart growth" and were not necessarily against toll lanes. Ms. Rodgers also mentioned the concern for scheduling RMA meetings during the day and a great distance from the citizens who will initially be affected by toll lanes. She suggested having the RMA meet in the evenings and on the north side of town.

Chairman Thornton thanked Ms. Rodgers and Ms. Terry for their time and presentations to the board.

4. **Briefing on the development of the Starter System and the Extensions on Loop 1604 and US 281.** D. Casteel, TxDOT District Engineer and F. Holzmann, TxDOT Engineer, presented this item to the board. D. Casteel began by describing the over 8,000 review sheets of information submitted as plans for the various toll lanes and interchanges. He reviewed the different projects for US 281 (Stone Oak) to 1604; US 281 (Marshall Rd) to the county line; Loop 1604 to IH 10W; and from Loop 1604 to IH 35N. He cited completion dates for plans and projected that at least one of the projects would be ready for construction in six (6) months.

Some questions asked by board members included: Do these plans and projections include the interchanges? D. Casteel responded by saying this information does not include any work on the interchanges. Can the public hearings scheduled for August 2005 have more information about the design, construction, construction time, road closures, etc. rather than the large amount and detail of the environmental information? D. Casteel responded by saying the information presented at public hearings consists of findings gathered from the many reports related to concepts, studies, and public involvement. This information is presented as a report. In further response to the question, D. Casteel indicated the type of public hearing suggested does take place earlier in the process during a public meeting and the public hearings now being held are required by state statute.

M.C. Rodriguez complimented TxDOT for the work performed thus far and encouraged TxDOT seek ways to enhance communications to the public about the various aspects of the toll lane projects.

5. Briefing on Joint Working Committee Interim Report – Options and Choices for Mobility. P. Irwin, Director of Engineering and Operations, and D. Gonzalez, Estrada Hinojosa (FA), were introduced by T. Griebel, Executive Director, who had requested this report on the “present value analysis” of the revenue streams. P. Irwin began by advising the board of the various groups such as TxDOT Turnpike Authority Division and their consultants, PBS&J, and the FA staff that met to discuss methodologies, parameters, and data used by PBS&J to generate present value number for the Starter System and a CDA scenario. D. Gonzalez said the study covered the Starter System and the extensions. He described the Level 1 Traffic and Revenue analysis of the revenues; operations, maintenance; debt cash flow calculations and the comparative analysis. While the information provided by PBS&J is within their general parameters, the difference would be in the structuring perspective of the RMA. The analysis further shows there would be sufficient revenues for the Starter System but insufficient revenues generated for both the Starter System and extensions.

Board members discussed the relationship between TxDOT and the RMA, timeliness of receiving projections on costs, and the partnerships expected to be developed by the RMA.

6. Discussion and appropriate action on the June 30, 2005 Texas Transportation Commission action to authorize publication of Request for Competing Proposals and Qualifications to develop, design, construct, finance, maintain and operate tolled, managed lanes on Loop 1604 from SH 151 to I 10 and US 281 from Loop 1604 to north of Borgfeld Road. T. Griebel began the discussion on this item by referring to the TTC authorization to proceed with the publishing a Request for Competing Proposals and Qualifications. Chairman Thornton discussed the RMA’s relationship with TxDOT and the involvement of the RMA in the CDA evaluation and recommendation process. H. Andrade responded by expressing support for the RMA and indicating her commitment to ensure the overall CDA benefits will be in the best interest

to the local citizens. R. Thompson encouraged TxDOT and the RMA to continue working together. W. McBride thanked the commissioner for being at the meeting. He said he appreciated the advice of the commissioner and while there remain many unanswered questions he feels the RMA board wants to be helpful, and cooperative. He stressed the willingness of the board to participate because of the great interest the RMA board has in this project. H. Munoz, M.C. Rodriguez and R. Diaz expressed their support of TxDOT and the AlamoRMA continuing to work together on the CDA evaluation process. *J. Reed made the motion to authorize the Executive Director to negotiate and execute a Memorandum of Understanding with TxDOT outlining the RMA's role in the CDA review and evaluation process and for the Executive Director to submit a application for necessary toll equity or other funding in order to actively participate in the CDA review and evaluation process. R. Diaz seconded. Motion passed.*

7. Discussion and appropriate action on the financial statements for the period ending June 30, 2005. Ms. J. Lopez, Comptroller presented the financial statements for the period ending June 30, 2005. Statements included the Balance Sheet, Statement Revenues, Expenses and Changes in Fund Deficit, and the Statement of Cash Flow. *R. Thompson made to motion to accept the reports as presented. R. Diaz seconded. Motion passed.*

T. Greibel reported on the State Comptroller's Report. He anticipates receiving this report towards the end of July.

8. Presentation/briefing on AlamoRMA organization start-up progress. This item was not presented.

Chairman Thornton recessed the board meeting at 2:35 p.m. to go into Executive Session.

9. Executive Session.

* * * *

The AlamoRMA Board of Directors met in Executive Session at 2:40 p.m.

Pursuant to Chapter 551, Subchapter D, Texas Government Code: A. Subsection 551.071(1). Consultation with Attorney – Consultation with, and advice from legal counsel concerning pending/contemplated litigation, settlement offers and negotiations, and other legal issues.

The Executive Session concluded at 3:45 p.m. *No action was taken.*

* * * *

Chairman Thornton called the board meeting back in to order and adjourned the meeting at 3:46 p.m.

APPROVED:

**_____
BILL THORNTON, CHAIRMAN
ALAMO REGIONAL MOBILITY AUTHORITY**

DATE ADOPTED: _____

I hereby certify that the above foregoing pages constitute the full, true and correct minutes of all the proceedings and official records of the Alamo Regional Mobility Authority at its regular meeting on July 13, 2005.

**ATTEST: _____
M. CRISTINA RODRIGUEZ
SECRETARY/TREASURER**

ALAMO REGIONAL MOBILITY AUTHORITY

Balance Sheet

July 31, 2005

ASSETS

Current Assets:

Cash and cash investments	\$889,585
Prepaid insurance	916
Prepaid rent	400

Total Current Assets 890,901

Fixed Assets:

Equipment	5,178
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Total Assets \$896,079

LIABILITIES AND FUND EQUITY

Current Liabilities:

Accounts Payable	1,181
Accrued Interest	18,586
Total Current Liabilities	<u>19,767</u>

Other Liabilities:

Bexar County Loan #1 Payable	250,000
Bexar County Loan #2 Payable	500,000
City of San Antonio Loan #1 Payable	500,000
Total Other Liabilities	<u>1,250,000</u>

Total Liabilities 1,269,767

Fund Deficit:

Retained Deficit	(53,632)
Unreserved - Net loss	(320,057)
	<u>(373,689)</u>

Total Liabilities and Fund Deficit \$896,079

These financial statements are unaudited and for management's use only.

ALAMO
REGIONAL MOBILITY AUTHORITY
Statement of Revenue, Expenses and Changes in Fund Deficit
For the period ending July 31, 2005

	MONTH	Y-T-D	BUDGET	VARIANCE
Ordinary Income:				
Interest Income	<u>\$2,039</u>	<u>\$7,346</u>	<u>\$4,400</u>	<u>\$2,946</u>
Total Ordinary Income	2,039	7,346	4,400	2,946
Operating Expenses:				
Salary, Benefits and Retirement Expense	\$24,289	\$186,071	\$224,181	\$38,110
Payroll Tax Expense	1,632	14,556	15,611	1,055
Business & Travel	544	9,181	19,348	10,167
Insurance Expense	303	4,022	3,031	(991)
Website Development	--	570	1,800	1,230
Telephone	69	899	7,400	6,501
GKDA, Supplies, Printing, Postage, Copier	417	11,219	5,500	(5,719)
Meeting Expense	80	1,702	2,000	298
Memberships	--	1,600	2,500	900
Professional Services Note 1	14,284	80,271	144,329	64,058
Office Space	--	--	3,000	--
Miscellaneous Expense	140	604	1,500	896
Total Operating Expenses	<u>41,758</u>	<u>310,695</u>	<u>430,200</u>	<u>116,505</u>
Loss From Operations	(39,718)	(303,348)	(425,800)	(119,452)
Nonoperating Expenses:				
Interest Expense	<u>3,529</u>	<u>16,708</u>	<u>11,000</u>	<u>(5,708)</u>
Total Nonoperating Expenses	3,529	16,708	11,000	(5,708)
Net Loss	<u><u>(\$43,247)</u></u>	<u><u>(\$320,057)</u></u>	<u><u>(\$436,800)</u></u>	<u><u>(\$113,743)</u></u>
Retained deficit at October 1, 2004		(\$53,632)		
Retained deficit at June 30, 2005		(\$373,689)		
Equipment Purchases	--	5,178	52,000	46,822

Note 1: Professional Services for the month of June and the year-to-date are as follows:

Locke, Liddell	10,103 (Loeffler 2,870)	Locke, Liddell	23,161 (Loeffler 5,766)
Marcus Jahns	3,000	Jim Griffin	27,931
Jama Lopez	<u>1,181</u>	Marcus Jahns	15,000
	14,284	Jama Lopez	13,679
		Winsted	<u>500</u>
			80,271

These financial statements are unaudited and for management's use only.

ALAMO REGIONAL MOBILITY AUTHORITY

Statement of Cash Flow
For the period ending July 31, 2005

OPERATING ACTIVITIES:

Loss from operations	(320,057)
Adjustments to reconcile loss from operations to net cash used by operating activities:	
(Increase) Decrease in prepaid insurance	(916)
(Increase) Decrease in prepaid rent	(400)
Increase (Decrease) in accounts payable	(5,842)
Increase (Decrease) in salaries and taxes payable	(3,308)
Net cash provided by Operating Activities	<u><u>(\$330,521)</u></u>

INVESTING ACTIVITIES:

Furniture, fixtures & equipment	<u>(5,178)</u>
Net cash provided by Investing Activities	<u>(5,178)</u>

FINANCING ACTIVITIES:

Increase (Decrease) in interest payable	16,708
Bexar County Loan #2 Payable	500,000
City of San Antonio Loan #1 Payable	<u>500,000</u>
Net cash provided by Capital and Related Financing Activities	<u>1,016,708</u>

Net cash increase for period \$681,009

Net increase in cash and cash investments	
Cash and Cash Investments, October 1, 2004	208,576
Cash and Cash Investments, July 31, 2005	<u>889,585</u>
	<u><u>\$681,009</u></u>

DRAFT

ALAMO REGIONAL MOBILITY AUTHORITY

Outline

Of

Authority Governance Guidelines

(As of 10 August 2005)

The Board of Directors (the Board) believes strong corporate governance is required for the continuing success of the Alamo Regional Mobility Authority. Initial success has been the direct result of the Authority's planning, high business standards and dedicated leadership. To accomplish its strategic goals, during the initial year the Authority developed a program of corporate governance. The practices of this program are memorialized and enhanced in these guidelines. These guidelines assure the Board will have the necessary authority and practices in place to review and evaluate the Authority's progress and the effectiveness of the Board

1. The Authority

The Alamo Regional Mobility Authority is a regional mobility authority authorized and existing pursuant to the provisions of House Bill 3588, enacted by the 78th Legislature of Texas, and codified in Texas Transportation Code, Chapter 370, as the same may be amended from time to time (the "Regional Mobility Authority Act"), as well as rules adopted by the Texas Department of Transportation concerning the operation of regional mobility authorities, located at 43 Tex. Admin. Code 26.1, et seq. (the "RMA Rules").

Powers of the Authority

The activities, property, and affairs of the Authority shall be managed by the Board, which may exercise all powers and do all lawful acts permitted by the Constitution and statutes of the State of Texas, the RMA rules, and the bylaws of the Authority. The Authority shall act through the Board in the performance of its duties and functions.

Mission of the Board

The Board's primary responsibility shall be to provide effective governance to insure the activities, property and affairs of the Authority are managed, controlled and administered properly. The Board shall carry out the mission of the Authority subject only to the limitations imposed by the Constitution, the statutes of the State of Texas, the RMA rules and the bylaws of the Authority. The Board shall exercise all of the powers of the Authority.

The Executive Director

The Executive Director shall be selected by the Board and shall serve at the pleasure of the Board. The Board shall delegate to the Executive Director the administration of the Authority's business and affairs. Among other responsibilities outlined in the bylaws of the Authority, the Executive Director shall be responsible for general management, hiring and termination of employees, and day-to-day operations of the Authority. The Board shall exercise oversight of the Executive Director's activities.

Board Structure

The size of the Board, the method of appointment of the Chairman of the Board and directors, and the statutory qualifications of the directors are outlined in the Regional Mobility Authority Act, the RMA Rules, and the bylaws of the Authority. In addition, the Board believes it should make a continuing assessment of the unique skills and characteristics required to improve the performance of the Board. These requirements should be shared with the appointing authorities when a vacancy on the Board is expected or occurs. The distinctively characteristic skills the Board believes should be considered by the appointing authorities are: (1) experience in business; (2) educational achievement; (3) diversity; (4) moral and ethical character; (5) integrity; (6) significant financial expertise; (6) high performance standards; (7) availability; and (8) a strong desire for public service.

Meetings of the Board of Directors

Regular meetings of the Board shall be held at sites, dates and times determined by the Chairman.

Special meetings of the Board may be called by the Chairman or by any three Directors.

Telephone meetings may be conducted consistent with the Regional Mobility Authority Act, the Open Meetings Act, and the Bylaws.

The Chairman of the Board, after consultation with the Executive Director, shall set the agenda for all meetings of the Board except those special called meetings requested by three directors, for which the three requesting directors shall set the agenda.

Executive Sessions

The Chairman of the Board has the authority to call an executive session of the Board in conjunction with any regular or special meeting of the Board and provided the posting for the meeting permits the convening of a closed session. If requested by any three Directors, the Chairman of the Board shall also call an executive session of the Board

Committees

The Chairman of the Board shall designate from among the directors one or more ad hoc or standing committees or task forces as required to govern the activities, property and affairs of the Authority. The initial standing committees shall be the Executive Committee (Personnel oversight), the Planning Committee (Strategic Planning and Project oversight) and the Finance Committee (Finance and Audit oversight).

Appointments: All committees shall consist of three directors. Committee appointments, to include the committee chair, shall be assigned by the Chairman of the Board. The chair of each committee shall establish meeting schedules and set the agenda for all meetings after consulting with the Executive Director.

Charters: Each committee shall, with leadership from its chair, develop and maintain a charter describing its duties and responsibilities in accordance with the bylaws of the Authority.

2. Director Responsibilities

Directors are expected to be punctual and attend all meetings of the Board and committees upon which they serve. Information and data that is important to the Board's understanding of the Authority's business to be discussed at meetings will be distributed in advance of meetings, to the extent practicable. To prepare for meetings, directors are expected to review the materials that are provided them in advance of those meetings – and be prepared to participate in all discussions.

Change in Business Position

In addition to making all required Ethics Commission filings and other disclosures required under law, Directors are expected to report changes in their business or professional affiliations or responsibilities, including retirement, to the Chairman of the Board. Directors are expected to advise the Chairman of the Board promptly upon accepting any public company directorship. If any change of business position negatively affects the director's ability to discharge responsibilities to the Authority, the Chairman of the Board may recommend to the Bexar County Commissioner's Court the director be removed.

Fiduciary Duty; Conflicts of Interest

Directors shall comply with the “Conflict of Interest” portion of the bylaws as well as Chapter 171 of the Texas Local Government Code. Directors should exercise their business judgment to act in what they reasonably believe to be in the best interest of the Authority in a manner consistent with their fiduciary duties. Directors are expected to avoid any action that conflicts, or gives the appearance of a conflict, with any interest of the Authority. Subject to any additional requirements which may be imposed by state law, Directors must disclose to the Board any potential conflicts of interest they may have with respect to any matter under discussion and, if appropriate, refrain from voting, commenting or participation in a discussion on a matter in which they may have a conflict.

4. Director Compensation

Directors shall serve without compensation, but shall be reimbursed for their actual expenses of attending each meeting of the Board and for such other expenses as may be reasonably incurred in carrying out their duties and functions as set forth herein.

5. Director Orientation And Continuing Education

The Authority shall provide an orientation program for new directors which shall include presentations by the Executive Director and staff on the Authority’s strategic plans,

significant financial and accounting issues, compliance programs, Code of Conduct, Open Meetings Act compliance, Ethics Commission filings, and management structure. The orientation program may also include a tour or visits to related organizations and Authority projects.

6. Management Evaluation and Succession

Board Evaluation of the Executive Director

The Board shall conduct an annual review of the performance of the Executive Director. The Chairman of the Board shall inform the Executive Director promptly of the results of the review.

Succession Plans for the Key Administrators of the Authority

Based on the recommendations of the Executive Committee, the Board shall establish and review such formal or informal policies and procedures, as it considers appropriate, regarding succession to the Executive Director and other key officers of the Authority.

7. Annual Performance Evaluation of the Board and Governance Guidelines

Board and Committee Evaluation

Based on a process recommended by the Executive Committee, the Board shall conduct a self-evaluation annually to determine whether the Board and its committees are

functioning effectively. The directors shall evaluate overall Board performance against certain criteria that the Board has determined are important to its success. These include, among other things, financial oversight, succession planning, administrators compensation, corporate governance, strategic planning and committee structure. The Board will determine what action, if any, could improve Board and Board committee performance.

Review of Corporate Governance Guidelines

The Executive Committee shall review these Authority Governance Guidelines on an annual basis, or more frequently if appropriate, and recommend changes to the Board for their approval.

8. Code of Ethics

The Board shall adopt a Code of Ethics for directors and employees. The code shall address, among other things, compliance with laws, conflicts of interest, confidentiality, fair dealing, protection and proper use of Authority assets and encouraging the reporting of illegal or unethical behavior and violations of the code.

9. Amendment, Modification and Waiver

These Guidelines may be amended, modified or waived by a majority vote of the Board.

July 29, 2005

To whom it may concern:

The Texas Department of Transportation ("TxDOT") is pleased to present a Request for Competing Proposals and Qualifications ("RFPQ") to teams interested in submitting competing proposals and qualification submittals (a "PQS") to develop, design, construct finance, operate and maintain portions of the US 281-Loop 1604 Toll Project in Bexar County, as well as other potential facilities to the extent necessary for connectivity and financing, through a Comprehensive Development Agreement pursuant to Chapter 223 of the Texas Transportation Code and Title 43, Texas Administrative Code, Sections 27.1-27.5.

TxDOT will make the RFPQ available to any party at the following address:

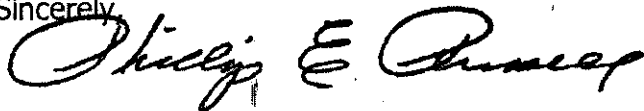
Texas Department of Transportation
125 East 11th Street, Fifth Floor
Austin, Texas 78701
Attn: Mr. Ed Pensock, Jr. P.E.

It will also be published on the following website: <http://www.dot.state.tx.us> by linking through e-Business/Consultant Services/Texas Turnpike Authority to and through the Notice of Intent to Issue a Request for Proposals/Qualifications to the web page: <http://www.dot.state.tx.us/tta/contract/request.htm>.

The RFPQ is based on an unsolicited proposal for the US 281-Loop 1604 Toll Project that TxDOT received on April 27, 2005 from Zachry American Infrastructure and Cintra Concesiones de Infraestructuras de Transporte. Having reviewed the unsolicited proposal, TxDOT believes that it merits further evaluation in accordance with Section 223.203 of the Texas Transportation Code and Title 43, Texas Administrative Code, Sections 27.1-27.5.

TxDOT looks forward to receiving and reviewing your PQS.

Sincerely,

A handwritten signature in black ink, appearing to read "Phillip E. Russell". The signature is written in a cursive style with a large initial "P".

Phillip E. Russell, P.E.
Director, Texas Turnpike Authority Division

**REQUEST FOR COMPETING PROPOSALS AND
QUALIFICATIONS
TO DEVELOP, DESIGN, CONSTRUCT, FINANCE,
OPERATE AND MAINTAIN
THE
US 281-LOOP 1604
TOLL PROJECT
THROUGH A
COMPREHENSIVE DEVELOPMENT AGREEMENT**

TEXAS DEPARTMENT OF TRANSPORTATION

ISSUED July 29, 2005

**Texas Department of Transportation
125 East 11th Street—Fifth Floor
Austin, Texas 78701**

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Exhibits:

- Exhibit A List of Project Documents
- Exhibit B Project Map

Forms:

- Form A Transmittal Letter
- Form B Information Regarding Proposer, Equity Members And Major Non-Equity Members
- Form C Certification

1. INTRODUCTION

The Texas Department of Transportation ("TxDOT"), an agency of the State of Texas, hereby requests the sealed submittal of proposals and qualifications from entities ("Proposers") desiring to develop, design, construct, finance, operate and maintain portions of Loop 1604 from SH 151 to IH 10 East in San Antonio in Bexar County and US 281 from Loop 1604 to Bexar/Comal County line in Bexar County, as well as other potential facilities to the extent necessary for connectivity and financing (referred to herein as the "US 281-Loop 1604 Toll Project" or the "Project"), pursuant to a Comprehensive Development Agreement ("CDA"). Development of the Project is a crucial element in responding to severe traffic congestion that exists in the San Antonio area.

TxDOT is issuing this RFPQ in accordance with the provisions of Chapter 223 of the Texas Transportation Code ("Code") (which can be found at <http://www.capitol.state.tx.us/statutes/tn.toc.htm>); Sections 27.1-27.5 of Title 43, Texas Administrative Code (the "Rules"); and other applicable provisions of law. Proposers shortlisted in response to this Request for Competing Proposals and Qualifications, as amended ("RFPQ") will be invited to submit detailed proposals ("Detailed Proposals") in response to a Request for Detailed Proposals ("RFDP").

The RFPQ is based on an unsolicited proposal for the Project that TxDOT received on April 27, 2005 from Zachry American Infrastructure and Cintra Concesiones de Infraestructuras de Transporte to develop, design, construct, finance, and operate the US 281-Loop 1604 Toll Project as a concession project. TxDOT has reviewed the unsolicited proposal, intends to evaluate the unsolicited proposal, and may negotiate a CDA based on the unsolicited proposal. A copy of the Texas Transportation Commission's (the "Commission") Minute Order 110112 dated June 30, 2005, authorizing further evaluation can be reviewed at <http://www.dot.state.tx.us/transcom/default.htm?pg=meet05>.

TxDOT has assembled a set of documents relating to the Project, as listed in Exhibit A hereto (the "Project Documents") which it will make available to prospective Proposers for review at TxDOT's San Antonio Mobility Initiative Office identified below. Proposers may make an appointment to review the Project Documents or may request electronic copies on compact disks of available documents by contacting TxDOT at either of the following addresses:

Texas Department of Transportation
3500 NW Loop 410
San Antonio, Texas 78229
Attn: Mr. Frank P. Holzmann, P.E.

Phone: (210) 731-5113
Fax: (210) 731-5168
or
Texas Department of Transportation
3500 NW Loop 410
San Antonio, Texas 78229
Attn: Benjamin O. Engelhardt, P.E.
Phone: (210) 731-5199
Fax: (210) 731-5168

TxDOT will charge for the costs of providing electronic copies at its standard rates.

2. DESCRIPTION OF US 281-LOOP 1604 TOLL PROJECT OPPORTUNITY

The CDA may (a) obligate the Developer to (i) develop, design and construct portions of the US 281-Loop 1604 Toll Project, (ii) invest equity and provide financing for such improvements, and (iii) operate, and maintain the Project and (b) may grant the right to toll revenues from users of the Project for a maximum period to be specified in the RFDP.

The SH 151-Loop 1604 connectors, IH 35 North-Loop 1604 connectors, and the IH 10 East-Loop 1604 connectors of the US 281-Loop 1604 Toll Project have not been included as a toll road in the MPO's transportation plan at this time. It is anticipated a decision on tolling these connectors will be made during the procurement process. If approval to toll the connectors is not obtained, the definition of the US 281-Loop 1604 Toll Project may be revised to exclude those connectors.

At this point, the procurement of the CDA and its subsequent oversight will be the responsibility of TxDOT. However, Proposers are advised at some point following finalization of the CDA, TxDOT may transfer all or parts of the facility or may grant operational oversight to the Alamo Regional Mobility Authority.

Portions of the US 281-Loop 1604 Toll Project may be constructed by TxDOT and other portions will be designed and constructed by the Developer. The design for those portions of the Project that may be constructed by TxDOT and the conceptual design for certain portions of the Project to be constructed by the Developer are available for review as described herein.

2.1 Status of US 281-Loop 1604 Toll Project Construction

The following tables summarize the status of US 281-Loop 1604 Toll Projects as of July 22, 2005*.

Existing Project 1	US 281
Location	US 281 North
CSJ	0253-04-114
Limits from	0.4 Miles North of Loop 1604
Limits to	0.7 Miles North of Stone Oak
Description	Expand to 6 Lane Expressway with 4 Lane Frontage Road (Toll 6 New Main Lanes) and Initial TMS
Design Consultant name	TCB / AECOM
Estimated amount	\$75,705,497.96
Est. Let date	September 2005
Length	3.281 Miles
Estimated completion date	February 2009
Project Status	Plans in Austin awaiting Letting
Existing Project 2	US 281 at Borgfeld
Location	US 281 North
CSJ	0253-04-112
Limits from	0.6 Miles South of Borgfeld
Limits to	0.6 Miles North of Borgfeld
Description	Reconfiguring Interchange (Grade Separation)
Design Consultant name	Carter & Burgess
Estimated amount	\$16,352,400
Est. Let date	November 2005
Length	1.287 Miles
Estimated completion date	November 2007
Project Status	Plans to be submitted to Austin
Existing Project 3	Loop 1604 West
Location	Loop 1604 West
CSJ	2452-01-036, etc.
Limits from	1.6 Kilometers North of FM 471
Limits to	US 90
Description	Upgrade to 4 Lane Divided by Adding Northbound Lanes
Contractor Name	Dean Word Company, LTD.
Bid amount	\$35,949,923.48
Time Charge	993 / 1069 = 93% as of July 9,2005
Est. work complete	83%
Length	14.131 Kilometers (8.781 Miles)

Work began	08/01/2001
Estimated completion date	October 2006
Existing Project 4	Loop 1604/SH 151
Location	Loop 1604 West at SH 151
CSJ	2452-01-043
Limits from	FM 471
Limits to	Wiseman
Description	Construct Interchange (Phase 1)
Design Consultant name	TxDOT
Estimated amount	\$21,000,000
Est. Let date	March 2006
Length	2.042 Miles
Estimated completion date	Spring 2008
Project Status	60% Design Complete

* In light of the receipt of an unsolicited proposal for this Project and commencement of this procurement, TxDOT is in the process of reviewing its plans for the above projects and may modify the schedule and scope thereof. As and when any changes are made, TxDOT will provide further details to the proposers.

2.2 Improvements to be Completed by Developer

TxDOT anticipates that the improvements to be completed by Developer will include:

- Improvements to US 281-Loop 1604 Toll Project, including design and construction of a portion of Loop 1604 in Bexar County. This Project will include the following:
 - Along Loop 1604 from SH 151 to Braun Road, a minimum of one (1) continuous and unobstructed toll mainlane per direction plus required operational, merge, acceleration and deceleration lanes to provide for the equivalent Level of Service(LOS) derived from analysis of existing TxDOT plans. This section will be expandable to four (4) continuous and unobstructed toll mainlanes per direction plus required operational, merge, acceleration and deceleration lanes upon the mainlanes reaching a LOS milestone to be determined in the RFDP. Two (2) lane minimum, non-toll, continuous, one-way frontage roads plus required operational, merge, acceleration and deceleration lanes will be constructed in areas which currently do not have them.

- Along Loop 1604 from Braun Road to FM 78, a minimum of one (1) continuous and unobstructed toll mainlane per direction plus required operational, merge, acceleration and deceleration lanes to provide for the equivalent LOS derived from analysis of existing TxDOT plans. This section will be expandable to two (2) continuous and unobstructed toll mainlanes per direction plus required operational, merge, acceleration and deceleration lanes upon the mainlanes reaching a LOS milestone to be determined in the RFDP. The existing non-toll mainlanes or an equivalent number of non-toll mainlanes shall remain in this section. The most recent design submittals for the section of Loop 1604 from Kyle Seale Parkway to Lookout Road are included in the list of Project Documents available for review as specified in Section 1.
- Along Loop 1604 from FM 78 to IH 10 East, a minimum of one (1) continuous and unobstructed toll mainlane per direction plus required operational, merge, acceleration and deceleration lanes to provide for the equivalent LOS derived from analysis of existing TxDOT plans. This section will be expandable to four (4) continuous and unobstructed toll mainlanes per direction plus required operational, merge, acceleration and deceleration lanes upon the mainlanes reaching a LOS milestone to be determined in the RFDP. The existing non-toll mainlanes or equivalent number of non-toll mainlanes shall remain in this section.
- Improvements to US 281-Loop 1604 Toll Project, including design and construction of a portion of US 281 North in Bexar County. This Project will include the following:
 - Along US 281 North from 0.7 Miles North of Stone Oak Parkway to 0.6 Miles South of Borgfeld Road, a minimum of one (1) continuous and unobstructed toll mainlane per direction plus required operational, merge, acceleration and deceleration lanes to provide for the equivalent LOS derived from analysis of existing TxDOT plans. Along US 281 North from Evans Road to Bexar/Comal County Line will be expandable to four (4) continuous and unobstructed toll mainlanes per direction plus required operational, merge, acceleration and deceleration lanes upon the mainlanes reaching a LOS milestone to be determined in the RFDP. The most recent design submittals for the projects to be constructed by TxDOT are included in the list of Project documents available for review as specified in Section 1.
- Improvements to US 281-Loop 1604 Toll Project, including design and construction of interchanges in Bexar County. This Project will include the following:

- The Loop 1604 West-US 281 North Interchange - Design and construction of a tolled, eight (8) leg directional interchange at US 281-Loop 1604 intersection. This interchange will include design and construction on US 281 and Loop 1604 at approaches and departures of the connectors to ensure existing connections and level of service on US 281 and Loop 1604 is preserved. A fully directional interchange is currently in the design stage by TxDOT's San Antonio District. The most recent design submittals are included in the list of Project Documents available for review as specified in Section 1.
- The Loop 1604 West-IH 10 West Interchange - Design and construction of a tolled, four (4) leg directional interchange at Loop 1604 West-IH 10 West intersection. This interchange will include design and construction on IH 10 and Loop 1604 at approaches and departures of the connectors to ensure existing connectors and LOS on IH 10 and Loop 1604 are preserved. Additional connectors for the interchange will be constructed when the LOS reaches a designated milestone as designated in the RFDP. A four leg directional interchange is currently in the design stage by TxDOT's San Antonio District. The most recent design submittals are included in the list of Project Documents available for review as specified in Section 1.
- The Loop 1604 East-IH 10 East Interchange - Design and construction of a tolled, two (2) leg directional interchange at Loop 1604 East-IH 10 East intersection. This interchange will include design and construction on IH 10 and Loop 1604 at approaches and departures of the connectors to ensure existing connectors and LOS on IH 10 and Loop 1604 are preserved. Additional connectors for the interchange will be constructed when the LOS reaches a designated milestone as designated in the RFDP.
- The Loop 1604 West-SH 151 Interchange - Design and construction of a tolled, two (2) leg directional interchange at Loop 1604 West-SH 151 intersection. This interchange will include design and construction on SH 151 and Loop 1604 at approaches and departures of the connectors to ensure existing connectors and LOS on SH 151 and Loop 1604 are preserved. Additional connectors for the interchange will be constructed when the LOS reaches a designated milestone as designated in the RFDP.
- The Loop 1604 East-IH 35 North Interchange - Design and construction of a tolled, four (4) leg directional interchange at Loop 1604 East-IH 35 North intersection. This interchange will include design and construction on IH 35 and Loop 1604 at approaches and departures of the connectors to ensure existing connectors and LOS on IH 35 and Loop 1604 are

preserved. Additional connectors for the interchange will be constructed when the LOS reaches a designated milestone as designated in the RFDP.

- Design and installation of electronic toll collection equipment as necessary to allow collection of tolls from Project users (a) for the segment along US 281 from Loop 1604 to 0.30 Miles North of Borgfeld Road, (b) for the segment along Loop 1604 from SH 151 to IH 10 East in Bexar County, and (c) for all directional connectors constructed by the Developer within the Project limits.
- Other potential facilities to the extent necessary for connectivity and financing.

2.3 Project Environmental Status

US 281 North from Evans Road to Bexar/Comal County Line: TxDOT is in the process of performing an Environmental Assessment for this segment of the Project. TxDOT anticipates holding a Public Hearing for this segment in August 2005. A Finding Of No Significant Impact (FONSI) or equivalent is expected to be issued in November 2005.

US 281 North from Loop 1604 to Marshall Road: This segment received approval as a FONSI by the FHWA on May 24, 2005. The segment was designated as a toll project by the Texas Transportation Commission on June 30, 2005.

Loop 1604 from IH 10 West to IH 35 North: TxDOT is in the process of performing an Environmental Assessment for this segment of the Project. TxDOT anticipates holding a Public Hearing for this segment in September 2005. A FONSI or equivalent is expected to be issued in December 2005.

Loop 1604 West-US 281 North Interchange: This project received approval from the FHWA as a Categorical Exclusion May 24, 2005 for a fully tolled Directional Interchange. This interchange was designated as a toll project by the Texas Transportation Commission on June 30, 2005.

Loop 1604 West-IH 10 West Interchange: TxDOT is in the process of performing a Categorical Exclusion for this interchange on the Project. TxDOT will hold a Public Hearing for this interchange in October 2005. A FONSI or equivalent is expected to be issued in January 2006.

Loop 1604 West from Kyle Seale Parkway to SH 151: TxDOT is in the process of performing an Environmental Assessment for this segment of the Project. TxDOT will hold a Public Hearing for this segment in December 2005. A FONSI or equivalent is expected to be issued in March 2006.

Loop 1604 East from IH 35 North to IH 10 East: TxDOT is in the process of performing

an Environmental Assessment for this segment of the Project. TxDOT will hold a Public Hearing for this segment in December 2005. A FONSI or equivalent is expected to be issued in March 2006.

Loop 1604 East-IH 35 North Interchange: TxDOT is in the process of performing an Environmental Assessment for this segment of the Project. TxDOT will hold a Public Hearing for this interchange in Winter 2006. A FONSI or equivalent is expected to be issued in early 2007.

Copies of the current environmental documents are included in the list of Project Documents available for review as specified in Section 1.

2.4 Construction Cost Estimates

TxDOT's current construction cost estimates for the improvements to be developed under the CDA are:

• Improvements to Loop 1604	\$ 585,000,000
• Improvements to US 281 North	\$ 80,000,000
• The US 281 North-Loop1604 interchange	\$ 180,000,000
• The LP 1604 West / IH 10 West interchange	\$ 140,000,000
• The Loop 1604 East / IH 10 East interchange	\$ 120,000,000
• The Loop 1604 West / SH 151 interchange	\$ 150,000,000
• The Loop 1604 East / IH 35 North interchange	\$ 150,000,000
• Total Cost for all Improvements	\$1,405,000,000

Estimated construction costs reflect the currently developed schematic and environmentally studied project segments at current construction prices. In addition, the estimates do not include design, right-of-way, toll integration, utility adjustment, operations and maintenance costs.

2.5 Funding Available for Development Costs

Proposers are advised that minimal or no TxDOT funding will be available for the development of the Project. TxDOT expects significant private participation as a key element of the Conceptual Project Financing Plan required to be provided hereunder.

The RFDP will provide further details regarding TxDOT's expectations relating to Project financing.

2.6 Right-of-Way Acquisition

Existing and proposed right of way maps based on the current approved schematics are included in the list of project documents available to Proposers for review as provided in Section 1. Proposers are advised that:

- Right of way acquisition is not complete for the LP 1604 corridor from SH 151 to IH 10 East.
- Right of way acquisition is scheduled to be completed in September 2005 for the US 281 project (Existing Project 1).
- Right of way acquisition is scheduled to be completed in January 2006 for the US 281 at Borgfeld project (Existing Project 2).
- Right of way acquisition has not begun on the US 281 North corridor for the section of roadway between the US 281 project (Existing Project 1) and US 281 at Borgfeld project (Existing Project 2).
- Right of way acquisition is not anticipated for the LP 1604 / SH 151 interchange.
- Right of way acquisition has not begun for the LP 1604 East / IH 10 East interchange.
- Right of way acquisition has not begun for the LP 1604 / IH 35 North interchange.
- Right of way acquisition has begun for the LP 1604 / US 281 North interchange and is expected to be completed in Summer 2006.
- Right of way acquisition is not anticipated for the LP 1604 West / IH 10 West interchange.
- Right of way acquisition has not begun for other potential facilities necessary for connectivity.

The CDA is expected to require the Developer to carry out right-of-way acquisition services for any parcels needed for the Project other than those that, as of the Proposal Due Date, that have not been acquired by TxDOT or are not, in TxDOT's judgement, in

an advanced stage of acquisition. The required services may include preparation of right-of-way strip maps, plats, legal descriptions, appraisals and such other items as TxDOT deems relevant, as well as coordination of the offer and relocation processes, for the identified parcels. The RFDP shall set forth in detail the parcels for which the Developer shall provide the designated right-of-way acquisition services, as well as those parcels that TxDOT will provide.

2.7 Geotechnical, Utility Relocation, Hazardous Materials Investigations, Water Pollution Abatement Plan (WPAP), Detention Plan and Aesthetic Treatment

2.7.1 Geotechnical Investigation Program

A subgrade soils report for segments of Loop 1604 and US 281 North has been completed and is included on the list of Project Documents available to Proposers for review as provided in Section 1.

Foundation drilling logs are available for segments of Loop 1604 and US 281 North are included on the list of Project Documents available to Proposers for review as provided in Section 1. Any additional geotechnical investigation activity on TxDOT right of way, during the RFPQ or RFDP, by the Proposer, will require the appropriate coordination with TxDOT (i.e. permitting, traffic control, notification etc.) Proposers must obtain permits through the normal permitting process prior to performing any drilling on State right of way.

2.7.2 Utility Investigation

Existing subsurface utility engineering (SUE) information for the Loop 1604 corridor from Kyle Seale Parkway to IH 35 North is included on the list of Project Documents available to Proposers for review as provided in Section 1. Available SUE data is included in the Project Documents.

Utility adjustment permits and plans performed for the current construction projects is also included on the list of Project Documents available to Proposers for review as provided in Section 1.

As it relates to eligible utility adjustment/relocation expenses, Developers should assume Toll Project Designation for the Project unless otherwise noted. The Developer will be responsible for any additional cost they may wish to participate in to expedite utility relocations/adjustments.

2.7.3 Hazardous Materials Investigation

The Environmental Reports listed in the Project Documents include studies showing the results of hazardous materials investigation relating to the Project, and are available for review as provided in Section 1. TxDOT is currently assessing what, if any, additional hazardous materials investigation information will be collected and shortlisted Proposers will, during the industry review process, be asked to provide input on this topic.

2.7.4 Water Pollution Abatement Plan (WPAP)

Areas of the project located over the Edwards Aquifer Recharge Zone will require environmental safeguards as required by the Texas Commission on Environmental Quality (TCEQ) and the Environmental Protection Agency (EPA). Project documents concerning this for US 281 North, US 281 at Borgfeld, and Loop 1604 from Kyle Seale Parkway to Nacogdoches Road are available to proposers for review as provided in Section 1.

2.7.5 Detention Plan

Areas of additional impervious cover will require detention for a minimum design frequency to be set forth in the RFDP. Project documents concerning detention plan issues for Loop 1604 from Kyle Seale Parkway to Lookout Road are available to Proposers for review as provided in Section 1.

2.7.6 Aesthetic Treatment

The Developer shall follow the San Antonio District Standard for the Hill Country Theme. Standard design files concerning the aesthetic plan are available to Proposers for review as provided in Section 1. Additional details and requirements shall be set forth in the RFDP.

2.7.7 Other Due Diligence Activities

TxDOT is currently assessing what, if any, additional site and due diligence information beyond that which is specified in Sections 2.7.1 – 2.7.6 will be provided. The shortlisted Proposers will, during the industry review process, be asked to provide input on this topic.

2.8 Traffic and Revenue Forecast

Sketch level traffic and revenue data and traffic assignments are available for all sections of the Project and are available to Proposers for review as provided in Section 1. TxDOT is commencing a Level II traffic and revenue analysis and will provide further details to shortlisted Proposers when available. Responsibility for additional traffic and

revenue studies shall be set forth in the RFDP and discussed during industry review.

2.9 Toll Collection System Development

Design and installation of the toll collection system for the US 281-Loop 1604 Toll Project in Bexar County will be included in the Developer's scope of work. The Developer will be required to coordinate system design and toll collection operations with local authorities, including statewide interoperability. A preliminary Toll Design Schematic is available to Proposers for review as provided in Section 1.

3. DESCRIPTION OF PROCUREMENT PROCESS

3.1 Overall Process

TxDOT reserves the right to modify the procurement process in its sole discretion to address applicable law and/or the best interests of TxDOT and the State of Texas.

TxDOT will evaluate the proposals and qualifications submittals ("PQSs") it receives in response to this RFPQ and will establish, according to criteria generally outlined herein, a shortlist of Proposers eligible to receive the RFDP.

If only one responsive PQS is received, TxDOT may either (a) proceed with the procurement and request a Detailed Proposal from the sole Proposer or (b) terminate this procurement.

Following the shortlisting of Proposers, TxDOT anticipates releasing for industry review and comment a draft RFDP, including scope of work and contract documents or summaries/term sheets. Following receipt of written comments, TxDOT may schedule one-on-one and/or group meetings to discuss issues and comments identified by the shortlisted Proposer teams. Specific details concerning the industry review process will be made available to the shortlisted Proposer teams following shortlisting.

After consideration of industry input, TxDOT plans to issue a RFDP to the shortlisted Proposers. The Commission may select a Proposer for negotiations, based on a determination of apparent best value, to finalize a CDA for award and execution. If negotiations are not successful with the apparent best value Proposer, TxDOT may negotiate with the next highest rated Proposer. Alternatively, TxDOT may terminate the procurement.

As contemplated by Section 223.203 of the Code, TxDOT intends to pay each unsuccessful Proposer that submits a responsive Detailed Proposal a maximum stipulated amount not exceeding the value of the work product contained in its Detailed

Proposal that TxDOT determines can be used in performance of its functions. Specific provisions regarding payment of the stipulated amount shall be included in the RFDP.

3.2 Procurement Schedule

TxDOT anticipates carrying out the first phase of the procurement process contemplated hereby in accordance with the following schedule:

Issue Request for Competing Proposals and Qualifications	July 29, 2005
Pre-PQS workshop	1 p.m. Central Time August 29, 2005
Deadline for questions	September 30, 2005
Requests relating to any addendum issued after September 26, 2005	three days after the addendum is issued (but no later than the PQS Due Date)
PQS Due Date	noon Central Time October 27, 2005

This schedule is subject to modification at the sole discretion of TxDOT. Proposers will be notified of any change by an addendum to this RFPQ. TxDOT intends to issue an industry review draft of the RFDP shortly after selection of the shortlisted Proposers and to prosecute the procurement to a CDA award thereafter. TxDOT anticipates awarding and executing a CDA for the Project in Summer/Fall 2006.

3.3 Pre-PQS Workshop

TxDOT intends to hold a pre-PQS workshop at TxDOT's offices at Texas Department of Transportation 125 E. 11th Street, Commission Hearing Room Austin, Texas 78701, on the date and time specified in Section 3.2. Attendance at this workshop is not mandatory and interested parties shall remain eligible to submit a PQS if they do not attend the workshop.

3.4 Questions and Requests for Clarification; Addenda

In order to facilitate receipt, processing and response, Proposers must submit all questions and requests for clarification in writing to both Ms. Diana Vargas **AND** Mr. Frank P. Holzmann, P.E. as follows:

Texas Department of Transportation
125 East 11th Street, Fifth Floor
Austin, Texas 78701
Attn: Ms. Diana Vargas
Email: dvargas@dot.state.tx.us
Fax:(512) 936-0970

AND

Texas Department of Transportation
San Antonio District Office
P.O. Box 29928
San Antonio, Texas 78229
Attn: Mr. Frank P. Holzmann, P.E.
Email: FHOLZMA@dot.state.tx.us
Fax: (210) 731-5168

TxDOT will provide responses to Proposer clarification requests within a reasonable time following receipt, subject to the cut-off dates set forth in Section 3.2. TxDOT will post responses to those questions of general application and requests for clarifications which TxDOT deems to be material and not adequately addressed in previously provided documents on the following website: <http://www.dot.state.tx.us> (the "Website") by linking through **e-Business / Consultant Services / Texas Turnpike Authority** to and through the Notice of Intent to Issue a Request for Proposals / Qualifications to the web page: <http://www.dot.state.tx.us/tta/contract/request.htm>.

TxDOT reserves the right to revise this RFPQ by issuing addenda to this RFPQ at any time before the PQS Due Date. TxDOT will post any addenda to this RFPQ on the Website.

Proposers are responsible for monitoring the website identified above for information concerning this procurement as teams responding to this RFPQ will be required to acknowledge that they have received and reviewed all materials posted thereon.

3.5 Federal Requirements

Proposers are advised that the RFDP will be drafted based on the assumption that the plan of finance for the Project will remain eligible for federal-aid funds and therefore that the procurement documents and CDA must conform to requirements of applicable federal law and FHWA regulations.

If the ultimate plan of finance does not include federal-aid funds, the CDA may be revised to remove the federal-aid requirements.

3.6 Liability, Insurance and Bonds

TxDOT anticipates that the CDA will require the Developer to assume liabilities, to provide bonds and insurance coverage and to indemnify and defend TxDOT against third party claims as specified in the CDA. TxDOT, as owner of the Project, will have the benefit of tort liability limitations to the extent permitted by Texas law. TxDOT is prohibited by State law from indemnifying any Proposer. The State of Texas and TxDOT do not intend that there be any waiver of their respective sovereign immunity protections under State law. Specific provisions concerning bonding, insurance and indemnity will be set forth in the RFDP and the CDA.

3.7 DBE/HUB Requirements

Pursuant to the provisions of Section 201.702 of the Texas Transportation Code, TxDOT has adopted rules to provide Disadvantaged Business Enterprises ("DBEs") opportunities to participate in the business activities of TxDOT as service providers, vendors, contractors, subcontractors, advisors, and consultants (see 43 Tex. Admin. Code Section 9.50 et seq.). TxDOT has adopted the definition of DBEs set forth in 49 CFR § 26.5. The DBE policy of TxDOT applies to all TxDOT contracts and purchases paid with funds received from the U.S. Department of Transportation through the Federal Highway Administration, the Federal Transit Administration, and the Federal Aviation Administration.

TxDOT also has adopted the Texas Building and Procurement Commission definition of and certification program for Historically Underutilized Businesses ("HUBs"). The HUB policy of TxDOT applies to all TxDOT contracts and purchases paid with State of Texas or local government entity funds.

TxDOT has not yet determined whether DBE and HUB requirements will apply for the Project. Information regarding DBE and HUB requirements and goals will be included in the RFDP.

In responding to this RFPQ, a Proposer team need not include team members to satisfy DBE/HUB goals. However, it is the policy of TxDOT to encourage the participation of DBEs, HUBs, women-owned business enterprises and minority business enterprises in all facets of the business activities of TxDOT, consistent with applicable laws and regulations.

3.8 Development

It is anticipated that the CDA will require the Developer, upon receiving a notice to proceed from TxDOT, to assume substantially all development obligations from TxDOT and its consultants arising from and after execution of the CDA and to cause the Project

to be completed in accordance with certain standards and specifications agreed by TxDOT and the Developer to apply to the Project.

TxDOT anticipates including in the RFDP a proposed set of Project-specific standards and specifications. The RFDP may permit Proposers to propose, for TxDOT consideration, exceptions and deviations from certain of these standards. All requests for deviations shall follow standard TxDOT policies and procedures regarding their approval. Proposers should note, however, that there may be restrictions on deviations from federally-mandated design and construction standards.

3.9 Project Financing

TxDOT anticipates that the CDA will grant a franchise or concession to the Developer, with the projected stream of toll revenues used to finance design, construction, operation and maintenance of improvements by the Developer, and with appropriate compensation to the Developer. TxDOT is interested in the Proposers' approach to payment of a concession fee and/or other revenue sharing arrangements. The Proposers are advised that TxDOT anticipates using its share of Project revenues in part to fund local improvements identified by TxDOT/San Antonio-Bexar County Metropolitan Transportation Planning Organization/Alamo Regional Mobility Authority (ARMA).

TxDOT intends to solicit industry ideas concerning optimal compensation structures during the industry review process. To the extent that payments under the CDA come from State and/or federal grant funds (as opposed to any Project revenues, revenue bond proceeds, loans, etc.), Proposers should be aware that such state and federal funds may be subject to legislative appropriation by the State of Texas.

4. PQS CONTENT AND SUBMITTAL REQUIREMENTS

TxDOT expects PQSs submitted in response to this RFPQ to provide enough information about the requested items so as to allow TxDOT to evaluate and competitively rank and shortlist the Proposers based on the criteria set forth herein.

PQSs shall be submitted exclusively in the English language inclusive of English units of measure, and cost terms in United States of America dollar denominations.

4.1 Format

Each responding Proposer shall submit one original and 15 copies (for a total of **16**) of its PQS in loose-leaf three ring binders, contained in sealed packages. Submittals must be prepared on 8-1/2" x 11" sized, white paper and bound. Volume 1 shall have all pages sequentially numbered and not exceed 60 pages. Each page may be printed on

two sides, in which event each side shall be considered one page. The type font size in Volume 1 shall be no smaller than twelve-pitch. Volumes 2 and 3 do not have page numbering, page limitation or type font size requirements. 11" x 17" pages are allowed (including in the 60-page count) for schematics, organizational charts, other drawings or schedules, but not for narrative text. Printed lines may be single-spaced. Insofar as is practical or economical, all paper stock shall be recycled.

Standard corporate brochures, awards, licenses and marketing materials shall not be included in a PQS.

4.2 Contents and Organization

Proposers must organize their PQS in the order set forth in this Section 4.2. The PQS shall contain at least three separately bound and labeled volumes including the information described in this Section 4.2. Each volume may be subdivided as needed.

4.2.1 Volume 1

Volume 1 of the PQS shall contain the following:

4.2.1.1 General

(a) **Form A** (transmittal letter). A duly authorized official of the Proposer or lead firm must execute the transmittal letter in blue ink. For Proposers that are joint ventures, partnerships, limited liability companies or other associations, the transmittal shall have appended to it letters on the letterhead stationery of each entity holding an equity interest in the Proposer, executed by authorized officials of each equity member, stating that representations, statements and commitments made by the lead firm on behalf of the equity member's firm have been authorized by, are correct, and accurately represent the role of the equity member's firm in the Proposer team.

(b) An Executive Summary, not exceeding 10 pages. The Executive Summary shall be written in a non-technical style and shall contain sufficient information for reviewers with both technical and non-technical backgrounds to become familiar with the Proposer's PQS and its ability to satisfy the financial and technical requirements of the Project.

(c) A page executed by the Proposer that sets forth the specific items (and the section and page numbers within the PQS at which such items are located) that the Proposer deems confidential, trade secret or proprietary information protected by Section 223.204 of the Code or the Act (as defined below). Blanket designations that do not identify the specific information shall not be acceptable and may be cause for TxDOT to treat the entire PQS as public information. Notwithstanding the foregoing, the list required under this Section 4.2.1.1(c) is intended to provide input to TxDOT as

to the confidential nature of a Proposer's PQS, but in no event shall such list be binding on TxDOT, determinative of any issue relating to confidentiality or a request under the Act (as defined below) or override or modify the provisions of Section 223.204 of the Code or TxDOT's responsibilities thereunder.

4.2.1.2 Entity Qualifications

The following information relevant to qualifications of the Proposer, its equity owners, the lead or managing entity member of the Proposer team, all Major Non-Equity Members and any other team members that the Proposer wishes to identify in its PQS. The term "Major Non-Equity Members" shall mean the following team members, if such team members do not hold an equity interest in the Proposer: (1) the lead engineering firm, (2) the lead contractor, (3) the primary firms providing financial and investment services to the Proposer, (4) the primary firm responsible for operations services, (5) the primary firm responsible for maintenance services, and (6) the firm responsible for traffic and revenue studies. The Proposer must identify all Major Non-Equity Members as defined above.

(a) Identify the legal nature of the Proposer and the state of its organization. Identify the name, title, address, telephone and fax numbers and electronic mail address of the Proposer contact person.

(b) For each equity member and Major Non-Equity Member of the Proposer, identify whether the entity is an equity member or Major Non-Equity Member, the entity's role and the entity's legal nature and state of organization.

(c) Describe the Proposer's management structure, including its teaming arrangements and how the Proposer will institutionally operate, particularly in light of the complexity and phasing of Project development.

(d) Describe relevant experience held by the Proposer, each equity member of the Proposer and each Major Non-Equity Member with:

- i. operation and maintenance of toll roads with a construction value of \$75 million or more
- ii. design and construction of turnpike/highway improvements with a construction value of \$75 million or more
- iii. design-build, joint owner/contractor development, public-private partnership, comprehensive development and exclusive development agreements for transportation projects to which such entity has been party with a contract value of \$75 million or more

- iv. Preparation of traffic and revenue studies for comparable projects
- v. Financing of comparable projects.

All such projects in which the entity played a significant role during the past five years shall be included.

(e) With respect to each project identified pursuant to Section 4.2.1.2(d), include the project name and contract number, owner's name, address, contact name and current email address, phone and fax numbers, dates of work performed (if applicable), project description, description of work and percentage actually performed by such entity, and project outcome or current status. For projects/contracts listed for design firms that were traditional consultant/engineering services contracts (as opposed to, for example, design-build contracts), the information sought above shall be limited only to the consultant/engineering services contract, rather than any ensuing construction contract where such entity had limited or no involvement. The response to this Section 4.2.1.2(e) may be included in Volume 3 of the PQS under Section 4.2.3.3. Proposers are requested to verify that contact information is correct, and are advised that if the contact information provided is not current, TxDOT may elect to exclude the experience represented by that project in determining the Proposer's qualifications.

(f) For any entity identified in the PQS for which experience and qualifications have not been provided pursuant to Section 4.2.1.2(d), the Proposer may, but is not required to, briefly describe their qualifications and experience in performing the role that Proposer proposes to allocate to them. The description need not be lengthy or go into the level of detail sought in Section 4.2.1.2(d).

(g) The Proposer may designate a public entity to provide toll collection services and toll operation services, but no other services, as provided in this Section 4.2.1.2(g). If the Proposer designates a public entity to provide toll collection services and toll operation services, (i) as of the QS Due Date, such entity may not be an equity member of the Proposer, a Major Non-Equity Member or otherwise have an unconditional agreement to perform such services as a subcontractor to the Proposer and (ii) the Proposer shall identify the public entity, describe the role it anticipates for the public entity and describe the public entity's relevant qualifications and experience in performing that role.

4.2.1.3 Legal Qualifications

The following information regarding legal issues affecting the Proposer and its team members:

- (a) Identify and explain any significant anticipated legal issues which the

Proposer must resolve in order to carry out the Project and its obligations under a CDA.

(b) Provide a list and a brief description of all instances during the last five years involving transportation projects in which the Proposer (or any other organization that is under common ownership with the Proposer), any equity member, or any Major Non-Equity Member was (i) determined, pursuant to a final determination in a court of law, arbitration proceeding or other dispute resolution proceeding, to be liable for a material breach of contract or (ii) terminated for cause. For each instance, identify an owner's representative with a current phone and fax number (and e-mail address if available).

(c) Provide a list and a brief description (including the resolution) of each arbitration, litigation, dispute review board and other dispute resolution proceeding occurring during the last five years involving Proposer (or any other organization that is under common ownership with the Proposer), any equity member or any Major Non-Equity Member and involving an amount in excess of \$500,000 related to performance in capital transportation projects with a contract value in excess of \$25 million. Include a similar list for all projects included in the response to Section 4.2.1.2(d), regardless of whether the dispute occurred during the past five years or involved the same organization that is on the Proposer's team. For each instance, identify an owner's representative with a current phone and fax number (and e-mail address if available).

(d) With respect to the information solicited in Section 4.2.1.3(b) – (c), failure to provide this information, conditional or qualified submissions (i.e., "to our knowledge", "to the extent of available information", "such information is not readily available", "such information is not maintained in the manner requested", etc.) to requests or questions posed, incomplete or inaccurate submissions or non-responsive submissions, or failure to provide information enabling TxDOT to contact owner representatives may, in the sole discretion of TxDOT, lead to a lower evaluation score and/or a "fail" rating for the team or disqualification from the procurement process.

4.2.1.4 Conceptual Project Development Plan

The Proposer's conceptual plan for development of the improvements and operation and maintenance of the Project, including:

(a) A description of the Proposer's general approach to advancing Project development, the results expected from implementation of the Proposer's Project development plan and the critical factors for the Project's success.

(b) A synopsis of the Proposer's plan to develop, design and construct the improvements described herein and to operate and maintain the Project, including use of subcontractors and suppliers.

(c) Approach to development and construction management, including quality control/quality assurance.

(d) Conceptual development and implementation schedule based upon current levels of information, including close of finance, start of construction, substantial completion, revenue service, final acceptance and other major milestones.

(e) Approach for other key Project functions, including safety, permit procurement, utility relocation and adjustment services, environmental protection, ITS capabilities and public relations.

(f) Description of key assumptions used in developing the Conceptual Project Development Plan.

(g) The Proposer's view of the roles and responsibilities of TxDOT, the Proposer and third parties in connection with the Project (in terms of allocation of work, facility implementation/delivery, and long-term operations and maintenance). Describe the optimal TxDOT/Proposer relationship and the nature of TxDOT participation sought by the Proposer in connection with Project development and how that will achieve success. Activities relating to the plan of finance may be identified as the Proposer deems appropriate to allow the reader to understand the interconnections between the finance process and Project development, but should also be addressed in the Conceptual Project Financing Plan. The Proposer may wish, but is not required, to address some or all of the following areas:

- Environmental Clearance/Planning/Permitting;
- Design and engineering;
- Right of way engineering and acquisition;
- Geotechnical, utility and hazardous materials investigations;
- Utility relocations;
- Feasibility studies;
- Construction, sequence of construction, traffic control plan and project incentives and disincentives;
- Design and construction quality control/quality assurance;
- Community involvement;
- Local government interaction;

- Facility warranties, maintenance and preservation;
- Operations and maintenance;
- Capital improvements;
- Toll collections and system interoperability; and
- Any other role or area not described above that the Proposer believes is key to successful Project development.

(h) Statement whether the proposed development plan would require any environmental approvals to be obtained and description of the process for obtaining such approvals, including how compliance with Title 43, Texas Administrative Code, §§27.3(h) and (i) will be ensured.

(i) Description of materials, equipment, and qualified personnel resources available to the Proposer which it can and will commit to development of the Project. Define the timeframe for design and construction.

(j) A list, if any, of all studies previously completed by Proposer with respect to the Project.

(k) A list of any anticipated Project opponents, and a description of potential social, economic and environmental impacts and potentially competing facilities and projects.

4.2.1.5 Conceptual Project Financing Plan

Proposers are encouraged to creatively explore possible private contributions towards financing the Project. The Conceptual Project Financing Plan shall be consistent with the Conceptual Project Development Plan, including any phasing/schedule milestones contained therein.

Proposers are to include the following elements in the Financing Plan:

(a) Conceptual Cost Estimates (2005 dollars)

Proposers are to provide cost estimates broken down into design, construction, right-of-way acquisition, operations and maintenance, and financing. Proposers are encouraged to provide additional subcategories (such as utility adjustments, property relocation expenses, etc.) to the extent they are available.

(b) Statement of Proposed Sources and Uses of Funds

Proposers are to provide a separate statement of proposed sources and uses of funds for the development phase and for the operating phase, identifying all anticipated sources and uses of funds for the Project.

The sources and uses of funds statement for the development phase should clearly describe any proposed concession fee and/or other revenue sharing mechanisms that would come into affect prior to tolling. Additionally, it should identify the capital structure, detailing all sources of financing, the timing and the amount of each class of debt, equity and any other source of funds.

The sources and uses of funds statement for the operating phase should include toll revenue and any proposed revenue sharing arrangements that relate to the operating phase. It should identify anticipated operating and maintenance costs, and the anticipated repayment schedule for debt and equity. Additionally the source and uses of funds statement for the operating phase should reflect the final capital structure, if take out financing is contemplated, detailing all sources of financing, the timing and the amount of each class of debt, equity and any other source of funds.

(c) Approach to Achieve Financial Close

Proposers are to describe the overall approach that they would implement to achieve financial close. The approach should describe the participating firms, key personnel and supplementary resources that will be responsible for managing all financing activities. Additionally, the approach should identify the proposed timeframes and key activities for implementation of the financing plan, including the timeframe for:

- Execution of any commitment letters from identified financial sources (debt and equity),
- Completion of traffic and revenue studies,
- Completion of credit ratings,
- Agreements with financing entities, and
- Any other major activities associated with securing Project financing.

The timeframe should clearly indicate which activities would be completed prior to the submission of the detailed proposal, between selection of the Developer and execution of the CDA and following execution of the CDA.

(d) Key Assumptions

Proposers shall describe the key assumptions used in developing their Conceptual Project Financing Plan. Proposers are encouraged to address some or all of the following.

Regarding revenues, Proposers are encouraged to describe:

- The anticipated length of the concession agreement,
- Anticipated traffic levels,
- Initial toll rates for each vehicle class and escalation provisions, and
- Other potential sources of revenues, including any connecting facilities that might enhance revenue streams.

For capital cost estimates, Proposers are encouraged to describe:

- The anticipated date when the facilities will be available for use,
- The basis for the estimates, and
- Any capital cost or project elements that would be provided by TxDOT.

For operating and maintenance cost estimates, Proposers are encouraged to describe:

- The estimated cost per mile for routine inspection and maintenance activities,
- The estimated cost of toll collection and enforcement activities,
- The timing, cost and scope of major refurbishment of toll technology and civil works, and
- Any operating and maintenance cost that would be provided by TxDOT.

For each equity source, Proposers are encouraged to describe:

- The amounts to be provided,
- The key timing of injections, and

- Any conditions on which the funding depends.

For each class of debt, or other funding source, Proposers are encouraged to describe:

- The amount of proposed financing,
- Details of grace periods, repayment or redemption schedules,
- Anticipated security, bonding, insurance or guarantee requirements,
- Fees, interest rates and margins, and
- Any other requirements or conditions that materially impact the Proposers' ability to raise financing or draw down on committed financing after financial close.

Proposers are encouraged to identify cost reduction measure and revenue generating opportunities.

Additionally, Proposers are encouraged to identify potential financing approaches that they have considered and the advantages of the approach they have selected over other potential approaches. Any potential reliance on State or Federal funding programs should be clearly identified and the rationale for its use included.

(e) Roles and Responsibilities

Proposers are to describe their view of the roles and responsibilities of TxDOT, the Proposer and third parties in connection with Project financing. The description is to outline the optimal TxDOT / Proposer relationship and the nature of TxDOT participation sought by the Proposer in connection with the financing and how that will achieve success.

Specific risk assignments that should be identified include:

- Revenue risk,
- Toll enforcement,
- Interest rate change between submission of financial offer and execution of CDA,

- Interest rate change between execution of CDA and financial close, and
- Securing of financing.

4.2.2 Volume 2

Volume 2 of the PQS shall contain the following:

(a) Financial statements for the Proposer and equity members of Proposer for the three most recent fiscal years, audited by a certified public accountant in accordance with generally accepted accounting principles (GAAP). If the Proposer is a newly formed entity and does not have independent financial statements, financial statements for the equity owners shall be sufficient (and the Proposer shall expressly state that the Proposer is a newly formed entity and does not have independent financial statements). Financial statements must be provided in **U.S. dollars**. If financial statements are not available in U.S. dollars, the Proposer must include summaries of the Income Statements and Balance Sheets for the applicable time periods converted to U.S. dollars by a certified public accountant. If audited financials are not available for an equity owner, the PQS shall include unaudited financials for such member, certified as true, correct and accurate by the chief financial officer or treasurer of the entity. Proposers are advised that if any equity member of the selected Proposer's team does not have audited financials, or if it fails to meet the minimum financial requirements stated in the RFDP, TxDOT may require a guarantee of the CDA to be provided by a separate entity acceptable to TxDOT. The PQS shall identify the proposed guarantor for each equity member which does not have audited financials and shall include audited financials for each proposed guarantor. Proposers shall also note that TxDOT may, in its discretion based upon the review of the information provided under this Section 4.2.2, also specify that an acceptable guarantor is required as a condition of shortlisting.

If the team or any other entity for which financial information is submitted as required hereby files reports with the Securities and Exchange Commission, then such financial statements shall be provided through a copy of their annual report on Form 10K. For all subsequent quarters, provide a copy of any report filed on Form 10Q or Form 8-K which has been filed since the latest filed 10K.

The Proposer shall identify any information which it believes is entitled to confidentiality under Section 223.204 of the Code and the Act, by placing the word "confidential" on each page as described in Section 6.

Required financial statements:

- i. Opinion Letter (Auditor's Report)
- ii. Balance Sheet
- iii. Income Statement
- iv. Statement of Changes in Cash Flow
- v. Footnotes

(b) Information regarding any material changes in financial condition for Proposer and each equity owner for the past three years and anticipated for the next reporting period. If no material change has occurred and none is pending, the Proposer and/or equity owner, as applicable, shall provide a letter from its chief financial officer or treasurer so certifying. Set forth below is a representative list of events intended to provide examples of what TxDOT considers a material change in financial condition. This list is intended to be indicative only. At the discretion of TxDOT, any failure to disclose a prior or pending material change may result in disqualification from further participation in the selection process. In instances where a material change has occurred, or is anticipated, the affected entity shall provide a statement describing each material change in detail, the likelihood that the developments will continue during the period of performance of the Project development, and the projected full extent of the changes likely to be experienced in the periods ahead. It is recommended that, when appropriate, the affected entity provide a discussion of measures that would be undertaken to insulate the Project from any recent material changes, and those currently in progress or reasonably anticipated in the future.

List of Representative Material Changes

- An event of default or bankruptcy involving the affected entity, a related business unit within the same corporation, or the parent corporation of the affected entity;
- A change in tangible net worth of 10% of shareholder equity;
- A sale, merger or acquisition exceeding 10% of the value of shareholder equity prior to the sale, merger or acquisition which in any way involves the affected entity, a related business unit, or parent corporation of the affected entity;
- A change in credit rating for the affected entity, a related business unit, or parent corporation of the affected entity;

- Inability to meet conditions of loan or debt covenants by the affected entity, a related business unit or parent corporation of the affected entity which has required or will require a waiver or modification of agreed financial ratios, coverage factors or other loan stipulations, or additional credit support from shareholders or other third parties;
- In 2002, 2003 or 2004, the affected entity, a related business unit in the same corporation, or the parent corporation of the affected entity either: (i) incurs a net operating loss; (ii) sustains charges exceeding 5% of the then shareholder equity due to claims, changes in accounting, write-offs or business restructuring; or (iii) implements a restructuring/reduction in labor force exceeding 200 positions or involves the disposition of assets exceeding 10% of the then shareholder equity;
- Other events known to the affected entity, a related business unit or parent corporation of the affected entity which represents a material change in financial condition over the past three years or may be pending for the next reporting period.

(c) If financial statements are prepared in accordance with principles other than U.S. GAAP, a letter from the certified public accountant of the applicable entity, discussing the areas of the financial statements that would be affected by a conversion to U.S. GAAP.

(d) A letter from the chief financial officer or treasurer of the entity or the certified public accountant for each entity for which financial information is submitted, identifying all off balance sheet liabilities.

Package the information separately for each separate entity with a cover sheet identifying the name of the organization and its role in the Proposer's organization (i.e., equity member, lead design firm, subcontractor, etc.).

(e) Evidence from a surety or an insurance company indicating that the Proposer team is capable of obtaining a Performance Bond and Payment Bond in an amount of at least \$250 million. The evidence regarding bonding capacity shall take the form of a letter from a surety or insurance company indicating that such capacity exists for the Proposer or the team member with the primary responsibility for construction. Letters indicating "unlimited" bonding capability are not acceptable. The surety or insurance company providing such letter must be rated in the top two categories by two nationally recognized rating agencies or at least A- (A-minus) or better and Class VIII or better by "Best & Company." The letter must specifically state that the surety/insurance company has read this RFPQ, evaluated the Proposer's backlog and work-in-progress in determining its bonding capacity. In instances where

the response to Section 4.2.2(b) contains descriptions of proposed or anticipated changes in the financial condition of the Proposer or any other entity for which financial information is submitted as required hereby for the next reporting period, a certification that the surety's analysis specifically incorporates a review of the factors surrounding such changes and identifying any special conditions which may be imposed before issuance of surety bonds for the Project.

If a Proposer is a joint venture, partnership, limited liability company or other association, separate letters for one or more of the individual equity participants are acceptable, as is a single letter covering all equity participants.

TxDOT has not yet determined the specific amount or form of payment and performance bonds and guarantees that it will require for the Project. Proposers are advised that the RFDP may require performance and/or guaranty amounts in excess of the \$250 million amount referenced above. TxDOT shall delineate such requirements, which will be consistent with applicable law, in the RFDP.

4.2.3 Volume 3

Volume 3 of the PQS shall contain the following:

4.2.3.1 General

Executed originals of **Form B** and **Form C** for the Proposer, each equity member of Proposer and each Major Non-Equity Member. **Proposers are advised that Form Bs may be released to the public and media.**

4.2.3.2 Personnel Qualifications

- (a) Separate resumes for the following key personnel and management staff:
 - i. Proposed project manager;
 - ii. Proposed deputy project manager;
 - iii. Proposed lead individual from each equity team member;
 - iv. Proposed lead individual from each Major Non-Equity Member;
 - v. Any other key members of the Proposer's management team; and
 - vi. Any other individuals that the Proposer wishes to identify at this time.

- (b) Three references for each of the project manager and the deputy project

manager. References shall be previous owners or clients with whom the project manager and the deputy project manager have worked within the past five years and shall include the name, position, company or agency and current addresses and phone and fax numbers.

(c) An express, written statement committing that the individuals designated in the PQS for the positions or roles described in clauses (i)-(vi) of Section 4.2.3.2(a) shall be available to serve the role so identified in connection with the Project. While TxDOT recognizes personnel availability and scheduling issues impact the Proposers, Proposers are urged only to identify and proffer personnel that they believe will be available for, and intend to assign to work on, the Project for the positions identified. Procedures concerning changes of such personnel will be set forth in the RFDP; however, requests to implement such changes will be reviewed very carefully by TxDOT and shall be subject to prior TxDOT approval. Failure to obtain TxDOT approval for such changes may result in disqualification of the Proposer by TxDOT.

4.2.3.3 Project Descriptions

Volume 3 of the PQS may include the project descriptions discussed in Section 4.2.1.2(e).

4.3 PQS Submittal Requirements

All packages constituting the PQS shall be individually labeled as follows:

Response to the
Request for Competing Proposals and Qualifications
for the US 281-Loop 1604 Toll Project
through a Comprehensive Development Agreement

PQSs must be accompanied by a cashier's check made payable to the Texas Department of Transportation, in the amount of \$20,000, contained in a separate sealed envelope clearly marked as the "Submittal Fee". This fee is not refundable for any reason. PQSs not accompanied by cashier's checks will not be considered, will be rejected and will be returned as non-responsive. The check and the PQS shall be delivered by hand or courier to:

Texas Department of Transportation
125 East 11th Street, Fifth Floor
Austin, Texas 78701
Attn: Phillip E. Russell, P.E.

TxDOT will not accept facsimile or other electronically submitted PQSs.

Acknowledgment of receipt of PQSs will be evidenced by the issuance of a receipt by a member of TxDOT staff.

PQSs will be accepted and must be received by TxDOT before 12:00 p.m. on the PQS Due Date specified in Section 3.2. Any PQSs received after that date and time will be rejected and returned to the sending party unopened.

Proposers are solely responsible for assuring that TxDOT receives their PQSs by the specified delivery date and time at the address listed above. TxDOT shall not be responsible for delays in delivery caused by weather, difficulties experienced by couriers or delivery services, misrouting of packages by courier or delivery services, improper, incorrect or incomplete addressing of deliveries and other occurrences beyond the control of TxDOT.

5. EVALUATION PROCESS AND CRITERIA

5.1 Responsiveness

Each PQS will be reviewed for (a) minor informalities, irregularities and apparent clerical mistakes which are unrelated to the substantive content of the PQS, (b) conformance to the RFPQ instructions regarding organization and format, and (c) the responsiveness of the Proposer to the requirements set forth in this RFPQ. Those PQSs not responsive to this RFPQ may be excluded from further consideration and the Proposer will be so advised. TxDOT may also exclude from consideration any Proposer whose PQS contains a material misrepresentation.

5.2 Pass/Fail Review

Following or in conjunction with evaluation of each PQS for responsiveness, TxDOT will evaluate each PQS based upon the following pass/fail criteria. A Proposer must obtain a "pass" on all pass/fail items in order for its PQS to be evaluated qualitatively under Section 5.3.

(a) The Proposal contains an original executed transmittal letter in accordance with Section 4.2.1.1(a).

(b) The Proposer is capable of obtaining payment and performance bonds in the amount of \$250 million from a surety rated in the top two categories by two nationally recognized rating agencies or at least A minus (A-) or better and Class VIII or better by A.M. Best and Company.

(c) Neither the Proposer nor any other entity that has submitted **Form C** as required by this RFPQ has been disqualified, removed, debarred or suspended from

performing or bidding on work for the federal government or any state or local government where such disqualification, removal, debarment or suspension would preclude selection and award under TxDOT's Contractor Sanction Rules (43 Texas Administrative Code Sections 9.100 *et seq.*).

(d) The Proposer has the financial capability to carry out the Project responsibilities potentially allocated to it, as demonstrated by the materials provided in Volume 2 of the PQS (Section 4.2.2).

(e) The information disclosed in **Form C** and/or in response to Section 4.2.1.3 does not materially adversely affect the Proposer's ability to carry out the Project responsibilities potentially allocated to it.

(f) The Proposer makes the express, written commitments as required in Section 4.2.3.2(c).

5.3 Qualifications Evaluation Criteria and Weighting

Each responsive PQS passing all of the "pass/fail" qualification requirements set forth above will be evaluated and scored according to the criteria set forth below. The order in which the evaluation criteria appears within each category (i.e., General/Experience, Conceptual Project Development Plan and Conceptual Project Financing Plan) is not an indication of weighting or importance.

5.3.1 General/Experience (30% Weighting)

- The extent and depth of the Proposer's and its team members' experience with comparable projects;
- The Proposer's and its team member's success in carrying out comparable projects and responsibilities, independently, with each other and in combination with other firms;
- The stability and likelihood of success of the proposed management structure and team;
- The extent and depth of experience of the management team and key personnel listed as required by Section 4.2.3.2; and
- The technological capability of the Proposer's team.

Project and personnel references, as well as the information provided in Sections 4.2.3.1 and 4.2.1.3, will be used, as deemed appropriate by TxDOT, to assist in the evaluation of the General/Experience category.

5.3.2 Conceptual Project Development Plan (20% Weighting)

- The extent to which the Conceptual Project Development Plan is technically feasible;
- The extent to which the Conceptual Project Development Plan demonstrates Proposer's understanding of the Project, TxDOT's needs and Project risks;
- The extent to which the Conceptual Project Development Plan demonstrates Proposer's understanding of TxDOT's needs and the special risks associated with the interface of the Developer's work and TxDOT's potential construction of portions of US 281 North and the mobility needs and operational efficiencies in the corridor.
- The extent to which the Conceptual Project Development Plan demonstrates Proposer's understanding of operations, maintenance, and total life cycle costs;
- The extent to which the Conceptual Project Development Plan sets forth a realistic and feasible scheduling approach for Project development;
- The extent to which the Conceptual Project Development Plan sets forth management and quality control/quality assurance approaches to Project development that are likely to lead to a high quality end product;
- The extent to which the Conceptual Project Development Plan presents an effective, efficient and desirable approach to integrating TxDOT into Project development and in structuring the roles and relationships of TxDOT/Proposer/third parties (including the level of TxDOT participation);
- The extent to which the Conceptual Project Development Plan demonstrates that the Proposer has access to and will be able to commit the materials, equipment, and qualified personnel resources necessary to develop the Project; and
- The potential benefits of innovation presented in the Conceptual Project Development Plan.

5.3.3 Conceptual Project Financing Plan (50% Weighting)

The Conceptual Project Financing Plan will be evaluated in accordance with the following criteria, taking into account the level of currently available Project information, the wide variety of potential financial and funding solutions and options available for the Project and the time period provided in this RFPQ for submission of a PQS:

- The effectiveness and feasibility of the Conceptual Project Financing Plan and the extent to which the Conceptual Project Financing Plan demonstrates a reasonable basis for projecting costs and funding development, operations and maintenance, including reasonable assumptions;
- The extent to which the Conceptual Project Financing Plan relies upon private equity and minimizes state funding and economic contributions and commitments toward Project development;
- The extent to which the Conceptual Project Financing Plan sets forth a realistic and feasible schedule for Project financing;
- The extent to which the Conceptual Project Financing Plan presents an effective, efficient and desirable approach to financing of the Project;
- The extent to which the Conceptual Project Financing Plan minimizes the financial and project risk of TxDOT and the State of Texas and
- The extent to which the Conceptual Project Financing Plan provides for revenue sharing/concession fees with TxDOT.

5.4 PQS Evaluation Procedure

TxDOT anticipates utilizing one or more committees to review and evaluate the PQSs in accordance with the above criteria and to make recommendations to the Commission based upon such analysis. At various times during the deliberations, TxDOT may issue one or more requests for written clarification to the individual Proposers. TxDOT may also schedule interviews with one or more Proposers on a one-on-one basis, for the purpose of enhancing TxDOT's understanding of the PQSs and obtaining clarifications of the terms contained in the PQSs. TxDOT may at any time request additional information or clarification from the Proposer or may request the Proposer to verify or certify certain aspects of its PQS. The scope, length and topics to be addressed shall be prescribed by, and subject to the discretion of, TxDOT. At the conclusion of this process, Proposers may be required to submit written confirmation of any new information and clarifications provided during an interview. If required, interviews shall be scheduled at a later date. Upon receipt of requested clarifications and additional information as described above, if any, the PQSs will be re-evaluated to factor in the clarifications and additional information.

Evaluations and rankings of PQSs are subject to the sole discretion of TxDOT, TxDOT staff and such professional and other advisors as TxDOT may designate. TxDOT will make the final determinations of the Proposers to be shortlisted, as it deems appropriate, in its sole discretion, and in the best interests of the State of Texas.

5.5 Changes in the Conceptual Project Development Plan and the Conceptual Project Financing Plan

TxDOT understands that as Proposers and TxDOT continue their individual and collective efforts to analyze and develop optimal development and financing plans for the Project, it is likely that the Conceptual Project Development Plans and the Conceptual Project Financing Plans proposed by Proposers will change and evolve. TxDOT wishes to encourage that evolution and continued focus by Proposers. Accordingly, it is TxDOT's intention to use the Conceptual Project Development Plans and the Conceptual Project Financing Plans only for purposes of evaluating the PQSs. Proposers will be given great latitude to modify, alter and enhance their respective Project development plans and Project funding plans in conjunction with their Detailed Proposals, including changing, adding and deleting, sources of funds and conceptual cost estimates.

5.6 RFDP Procedure and Evaluation

The Commission has given its staff broad direction on the content and methodology for the solicitation of Detailed Proposals from shortlisted Proposers, the selection of a Proposer whose Detailed Proposal offers the apparent best value to TxDOT and the terms and conditions a CDA must contain to be deemed satisfactory. TxDOT staff and consultants intend to work with the Commission during the RFPQ process to define the RFDP and negotiations process with specificity, which may include, at an appropriate time, industry review of a draft RFDP and contract document, among other information. Proposers are advised that the evaluation criteria and weightings for the calculations of the Detailed Proposals may differ from the criteria set forth herein to evaluate PQSs.

6. COMMUNICATIONS, PUBLIC INFORMATION AND ORGANIZATIONAL CONFLICTS OF INTEREST

6.1 Improper Communications and Contacts

Proposers are required to conduct the preparation of their PQSs with professional integrity and free of lobbying activities. Proposers, and their respective agents and consultants, are not permitted to contact, directly or indirectly, any member of the Commission, TxDOT's administration, TxDOT's staff or TxDOT's consultants performing procurement advisory services for the Project regarding the subject matter of this RFPQ after the issuance date of this RFPQ, except as specifically permitted hereby or approved in advance by the Director of the Texas Turnpike Authority Division or his designee. Any verified allegation that a responding Proposer team or team member or an agent or consultant of the foregoing has made such contact or attempted to influence the evaluation, ranking, and/or selection of shortlisted Proposers may be

cause for TxDOT to disqualify the Proposer team from submitting a PQS, to disqualify the team member from participating in a Proposer team and/or to discontinue further consideration of such Proposer team and to return its PQS.

Following shortlisting, TxDOT anticipates that certain communications and contacts will be permitted and the RFDP and/or other written communications from TxDOT will set forth the rules and parameters of such permitted contacts and communications. To the extent any Proposer intends at any time to initiate contact with the general public regarding the Project, the nature of such intended contact and the substance thereof must be approved in writing by TxDOT prior to the commencement of such activities.

6.2 Public Information Act

Subject to the requirements of Section 223.204 of the Code, the Public Information Act, Texas Government Code Chapter 552 (the "Act") and the terms of this RFPQ, PQSs will *not* be publicly opened or evaluated.

All written correspondence, exhibits, photographs, reports, printed material, photographs, tapes, electronic disks, and other graphic and visual aids submitted to TxDOT during this procurement process, including as part of the response to this RFPQ, are, upon their receipt by TxDOT, the property of the State of Texas, may not be returned to the submitting parties and, except as provided by Section 223.204 of the Code, are subject to the Act. Proposers shall familiarize themselves with the provisions of the Act and Section 223.204 of the Code. In no event shall the State of Texas, TxDOT, or any of their agents, representatives, consultants, directors, officers or employees be liable to a Proposer or Proposer team member for the disclosure of all or a portion of a PQS submitted under this RFPQ.

If TxDOT receives a request for public disclosure of all or any portion of a PQS, TxDOT will use reasonable efforts to notify the applicable responding Proposer team of the request and give such responding Proposer team an opportunity to assert, in writing and at its sole expense, a claimed exception under the Act or other applicable law within the time period specified in the notice issued by TxDOT and allowed under the Act.

If a Proposer has special concerns about information which it desires to make available to TxDOT but which it believes constitutes a trade secret, proprietary information, or other information excepted from disclosure, such responding Proposer team shall specifically and conspicuously designate that information **by placing "CONFIDENTIAL" in the header or footer of each such page affected**. Nothing contained in this provision shall modify or amend requirements and obligations imposed on TxDOT by the Act or other applicable law, and the provisions of the act or other

laws shall control in the event of a conflict between the procedures described above and the applicable law.

All prospective Proposers should obtain and thoroughly familiarize themselves with the Code and any applicable Rules. All PQSs shall conform to and contain the detailed information required by the Code and the Rules. Questions on the content and meaning of the Rules shall be submitted in writing as provided herein.

6.3 Organizational Conflicts of Interest

TxDOT is currently developing a policy regarding organizational conflicts of interest that will apply to all CDA projects, including the US 281-Loop 1604 Toll Project. The policy will go through an industry review process before it is finalized; however it provides guidance to firms interested in participating on Proposer teams for the Project. Prior to finalizing teaming arrangements, Proposers are advised to carefully review the draft policy, which may be found on TxDOT's website at <http://www.dot.state.tx.us/business/turnpikeconsultinfo.htm>. The draft policy may preclude certain firms and their entities from participating on a Proposer team.

7. PROTEST PROCEDURES

This Section 7 sets forth the exclusive protest remedies available with respect to this RFPQ. Each Proposer, by submitting its PQS, expressly recognizes the limitation on its rights to protest contained herein, expressly waives all other rights and remedies and agrees that the decision on any protest, as provided herein, shall be final and conclusive and not subject to legal challenge unless wholly arbitrary. These provisions are included in this RFPQ expressly in consideration for such waiver and agreement by the Proposers. Such waiver and agreement by each Proposer also act as consideration to each other Proposer for making the same waiver and agreement.

If a Proposer disregards, disputes or does not follow the exclusive protest remedies set forth in this RFPQ, it shall indemnify, defend and hold TxDOT and its respective directors, officers, employees, agents, representatives and consultants, harmless from and against all liabilities, expenses, costs (including attorneys' fees and costs), fees and damages incurred or suffered as a result of such Proposer's actions. By submitting a PQS, each Proposer shall be deemed to have irrevocably and unconditionally agreed to accept such indemnification obligation.

7.1 Protests Regarding RFPQ Documents

Proposers may protest the terms of this RFPQ on the grounds that (a) a material provision in this RFPQ is ambiguous, (b) any aspect of the procurement process described herein is contrary to legal requirements applicable to this procurement, or

(c) this RFPQ in whole or in part exceeds the authority of TxDOT. Protests regarding this RFPQ shall be filed only after the Proposer has informally discussed the nature and basis of the protest with TxDOT in an effort to remove the grounds for protest.

Protests regarding the RFPQ documents shall completely and succinctly state the grounds for protest and shall include all factual and legal documentation in sufficient detail to establish the merits of the protest. Evidentiary statements, if any, shall be submitted under penalty of perjury.

Protests regarding this RFPQ shall be filed by hand delivery to the Texas Department of Transportation, 125 East 11th Street, Fifth Floor, Austin, Texas 78701, Attn: Mr. Ed Pensock, P.E., with a copy going to the Office of General Counsel, Texas Department of Transportation, 125 E. 11th Street, Suite 702, Austin, TX 78701-2483, as soon as the basis for protest is known to the Proposer, but in no event later than 60 days before the PQS Due Date, provided that protests regarding an addendum to this RFPQ shall be filed no later than five business days after the addendum is issued (but no later than the PQS Due Date, if earlier).

TxDOT will distribute copies of the protest to other identified Proposer teams and may, but need not, request other Proposers to submit statements regarding the protest and may, in its sole discretion, discuss the protest with the protestant. TxDOT may also, at its option, submit a statement regarding the protest. The protestant shall have the burden of proving its protest by clear and convincing evidence.

No hearing will be held on the protest, but it shall be decided, on the basis of the written submissions, by TxDOT's Executive Director or his designee, whose decision shall be final and conclusive and not subject to legal challenge unless wholly arbitrary. TxDOT's Executive Director or his designee shall issue a written decision regarding any protest to each Proposer. If necessary to address the issues raised in a protest, TxDOT may, in its sole discretion, make appropriate revisions to the RFPQ documents by issuing addenda.

Notwithstanding the existence of a protest, TxDOT may, in its sole discretion, continue the procurement process or any portion thereof.

The failure of a Proposer to file a basis for a protest regarding the RFPQ documents within the applicable period shall preclude consideration of that ground in any protest of a selection or qualification unless such ground was not and could not have been known to the Proposer in time to protest prior to the final date for such protests. TxDOT may extend the PQS Due Date, if necessary, to address any such protest issues. If the protest is denied, the Proposer filing the protest shall be liable for TxDOT's costs reasonably incurred in any action to defend against or resolve the protest, including legal and consultant fees and costs, and any unavoidable damages sustained by TxDOT

as a consequence of the protest. If the protest is granted, TxDOT shall not be liable for payment of the protestant's costs. TxDOT shall not be liable for any damages to the Proposer filing the protest or to any participant in the protest, on any basis, express or implied.

7.2 Protests Regarding Responsiveness Determination, Evaluation, Evaluation Process or Shortlisting

Proposers may protest the results of the above-described responsiveness determination, evaluation, evaluation process or shortlisting by filing a protest by hand delivery to the Texas Department of Transportation, 125 East 11th Street, Fifth Floor, Austin, Texas 78701, Attn: Mr. Ed Pensock, P.E., with a copy going to Office of General Counsel, Texas Department of Transportation, 125 E. 11th Street, Suite 702, Austin, TX 78701-2483. Any protest regarding the determination of responsiveness must be filed within five business days after the notification of nonresponsiveness. Any protest regarding the evaluation, the evaluation process or shortlisting must be filed within five business days after the earlier of (a) the public announcement of the shortlisted Proposers; or (b) notification of the shortlisted Proposers. The Proposer filing the protest shall concurrently file a copy of the protest with the other Proposers whose addresses may be obtained from TxDOT. The notice of protest shall specifically state the grounds for the protest.

Within 10 days after delivery of the notice of protest to TxDOT, the protestant shall file by hand delivery to the Texas Department of Transportation, 125 East 11th Street, Fifth Floor, Austin, Texas 78701, Attn: Mr. Ed Pensock, P.E., with a copy going to Office of General Counsel, Texas Department of Transportation, 125 East 11th Street, Suite 702, Austin, TX 78701-2483, a detailed statement of the grounds, legal authority and facts, including all documents and evidentiary statements in support of the protest. The protestant shall concurrently file a copy of the detailed statement with the other Proposers. Evidentiary statements, if any, shall be submitted under penalty of perjury. The protestant shall have the burden of proving its protest by clear and convincing evidence. Failure to file a protest within the applicable period shall constitute a waiver of the right to protest a finding of nonresponsiveness, the evaluation, the evaluation process and the shortlisting other than any protest based on facts not reasonably ascertainable as of such date.

Other Proposers may file by hand delivery to the Texas Department of Transportation, 125 East 11th Street, Fifth Floor, Austin, Texas 78701, Attn: Mr. Ed Pensock, P.E., with a copy going to Office of General Counsel, Texas Department of Transportation, 125 E. 11th Street, Suite 702, Austin, TX 78701-2483, statements in support of or in opposition to the protest within seven days of the filing of the detailed statement of protest. TxDOT shall promptly forward copies of any such statements to the protestant. Any

evidentiary statements shall be submitted under penalty of perjury. TxDOT may also, at its option, submit a statement regarding the protest.

TxDOT's Executive Director or his designee will only consider, based on a preponderance of the evidence, whether TxDOT's determination is arbitrary, capricious or contrary to law, and will either affirm TxDOT's original determination or recommend remedial steps, if appropriate, to address the issues raised in the protest. TxDOT's Executive Director or his designee shall issue a written decision regarding the protest within 30 days after the filing of the detailed statement of protest. The decision shall be final and conclusive and not subject to legal challenge unless wholly arbitrary. Unless otherwise required by law, no evidentiary hearing or oral argument shall be provided, except, in the sole discretion of TxDOT's Executive Director or his designee, a hearing or argument may be permitted if necessary for the protection of the public interest or an express, legally recognized interest of a Proposer.

If the protest is denied, the entity filing the protest shall be liable for TxDOT's costs reasonably incurred in any action to defend against the protest, including legal and consultant fees, and any unavoidable damages sustained by TxDOT as a consequence of the protest. If the protest is granted, TxDOT shall not be liable for payment of the protestant's costs. TxDOT shall not be liable for any damages to the entity filing the protest or to any participant in the protest, on any basis, express or implied.

8. TxDOT RESERVED RIGHTS

In connection with this procurement, TxDOT reserves to itself all rights (which rights shall be exercisable by TxDOT in its sole discretion) available to it under the Code, the Rules and applicable law, including without limitation, with or without cause and with or without notice, the right to:

- Develop the Project in any manner that it, in its sole discretion, deems necessary. If TxDOT is unable to negotiate a CDA to its satisfaction with a Proposer, it may negotiate with the next highest rated Proposer, terminate this procurement and pursue other development or solicitations relating to the Project or exercise such other rights under the Code and other provisions of Texas law as it deems appropriate.
- Cancel this RFPQ or the subsequent RFDP in whole or in part at any time prior to the execution by TxDOT of a CDA, without incurring any cost obligations or liabilities.
- Not issue an RFDP.
- Reject any and all submittals, responses and PQSs received at any time.

- Modify all dates set or projected in this RFPQ.
- Terminate evaluations of responses received at any time.
- Suspend and terminate CDA negotiations at any time, elect not to commence CDA negotiations with any responding Proposer and engage in negotiations with other than the highest ranked Proposer.
- Issue addenda, supplements and modifications to this RFPQ.
- Appoint evaluation committees to review PQSs, make recommendations to the Commission and seek the assistance of outside technical experts and consultants in PQS evaluation.
- Require confirmation of information furnished by a Proposer, require additional information from a Proposer concerning its PQS and require additional evidence of qualifications to perform the work described in this RFPQ.
- Seek or obtain data from any source that has the potential to improve the understanding and evaluation of the responses to this RFPQ.
- Add or delete Proposer responsibilities from the information contained in this RFPQ or any subsequent RFDP.
- Waive deficiencies in a PQS, accept and review a non-conforming PQS or permit clarifications or supplements to a PQS.
- Disqualify any Proposer which changes its submittal without TxDOT approval.
- Not issue a notice to proceed after execution of the CDA.
- Exercise any other right reserved or afforded to TxDOT under this RFPQ.

This RFPQ does not commit TxDOT to enter into a contract or proceed with the procurement described herein. Except as expressly set forth in Section 3, TxDOT and the State of Texas assume no obligations, responsibilities, and liabilities, fiscal or otherwise, to reimburse all or part of the costs incurred or alleged to have been incurred by parties considering a response to and/or responding to this RFPQ, or any subsequent RFDP. All of such costs shall be borne solely by each Proposer.

In no event shall TxDOT be bound by, or liable for, any obligations with respect to the Project until such time (if at all) as a CDA, in form and substance satisfactory to TxDOT, has been executed and authorized by TxDOT and, then, only to the extent set forth therein.

EXHIBIT A

LIST OF PROJECT DOCUMENTS

1. Environmental Reports
 - a. Environmental Document for US 281 at Loop 1604 Interchange
 - b. Environmental Assessment Re-evaluation for US 281 from Loop 1604 to Marshall Road
 - c. FHWA Concurrence for US 281/LP 1604 Interchange Environmental Document

2. Right of Way Documents
 - a. Existing right-of-way maps for IH-10
 - b. Existing right-of-way maps for IH-35
 - c. Existing right-of-way maps for Loop 1604 at IH-10W
 - d. Existing right-of-way maps for original Loop 1604, Volume 1
 - e. Existing right-of-way maps for original Loop 1604, Volume 2
 - f. Existing right-of-way maps for retrace of Loop 1604
 - g. Existing right-of-way maps for State Highway 151
 - h. Existing right-of-way maps for US 281
 - i. Proposed right-of-way for Loop 1604/US 281 Interchange
 - j. Proposed right-of-way for US 281
 - k. Proposed right-of-way for US 281 at Borgfeld Road

3. Geotechnical Investigation Program
 - a. Subgrade soils reports and foundation drilling logs along Loop 1604 from Kyle Seale Parkway to IH 35
 - b. Subgrade soils reports and foundation drilling logs along US 281 North for projects being constructed by TxDOT are included in the PS&E for the projects listed in Item 12.

EXHIBIT A

Page 1

4. Utility Investigation
 - a. Existing Utility Information along Loop 1604 from Kyle Seale Parkway to IH 35 North
 - b. Existing Utility Information along US 281 North for projects being constructed by TxDOT are included in the PS&E for the projects listed in Item 12.
5. Water Pollution Abatement Plan(WPAP)
 - a. WPAP analysis along Loop 1604 from Kyle Seale Parkway to O'Conner Road
 - b. WPAP analysis along US 281 North for projects being constructed by TxDOT are included in PS&E for the projects listed in Item 12.
6. Detention Plan
 - a. Detention analysis along Loop 1604 from Kyle Seale Parkway to IH 35 North 35
7. Aesthetic Plan
 - a. Final Design Report, US 281 and Loop 1604 Aesthetics
 - b. US 281 and Loop 1604 Aesthetic Design Plans, Volume 1 of 2
 - c. US 281 and Loop 1604 Aesthetic Design Plans, Volume 2 of 2
8. Traffic and Revenue Forecast
 - a. Loop 1604 Traffic Data Study from IH-35 to IH-10
 - b. Preliminary Revenue Analysis for the Toll Starter System
 - c. Preliminary Revenue Analysis for the US 281 Northern Extension
 - d. Preliminary Revenue Analysis for the Loop 1604 Western Extension
 - e. Preliminary Revenue Analysis for the Loop 1604 Eastern Extension
 - f. US 281 Road Cost User Study
 - g. US 281 Phase II Traffic Impact Analysis

EXHIBIT A

Page 2

9. Toll Collection System Development

- a. Toll Design Schematic along US 281 from Loop 1604 to North of Stone Oak Parkway

10. Schematics for US 281-Loop 1604 Toll Project

- a. Schematic for IH10 Loop/1604 Interchange
- b. Loop 1604 Geometric layout, Kyle Seale to IH-35
- c. US 281/Loop 1604 Interchange Schematic
- d. Loop 1604 Western Extension – Schematic
- e. Loop 1604 Western Extension – Profile
- f. Loop 1604 Western Extension - Profile for Northbound Frontage Road
- g. Loop 1604 Western Extension - Profile for Southbound Frontage Road
- h. US 281 Northern Extension Schematic and Profile
- i. Toll Starter System Schematic
- j. Loop 1604 Eastern Extension Schematic
- k. Plan and Profile for the US 281/Loop 1604 Interchange

11. PS&E for the following projects along Loop 1604:

	CSJ	Limits From	Limits To
11A	2452-01-036	FM 471	US 90
11B	2452-01-043	SH 151/Loop 1604 Interchange	
11C	0072-08-111	IH 10/Loop 1604 Interchange	
11D	2452-02-074	FM 1535 (N.W. Military)	Stone Oak Parkway
11E	0253-04-100	US 281/Loop 1604 Interchange	
11F	2452-03-097	Redland Road	Green Mountain Road

EXHIBIT A

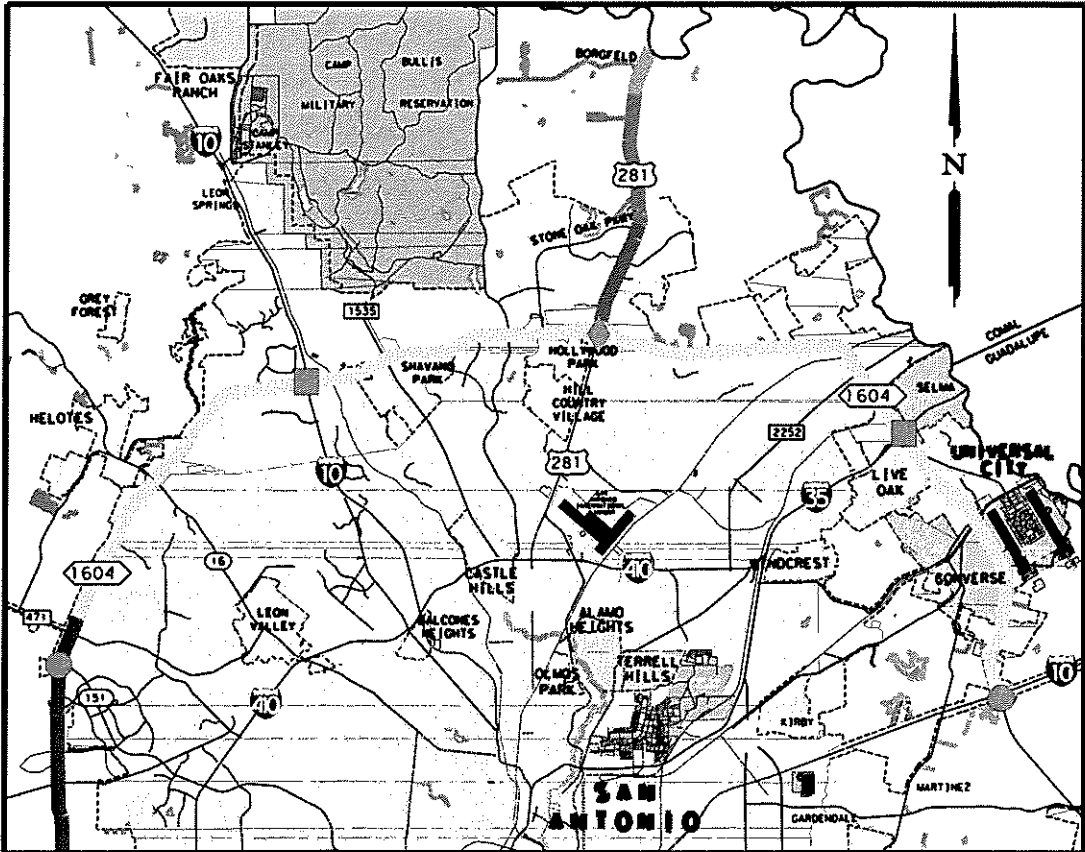
11G	2452-03-087	Green Mountain Road	IH 35 North
11H	Varies	Reports related to PS&E for projects along Loop 1604	

12. PS&E for the following projects along US 281:

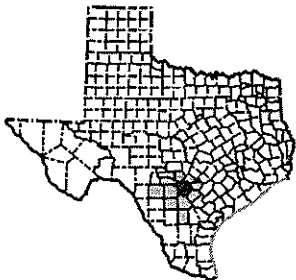
	CSJ	Limits From	Limits To
12A	0253-04-114	0.4 Miles North of Loop 1604	0.7 Miles North of Stone Oak
12B	0253-04-112	0.6 Miles South of Borgfeld	0.6 Miles North of Borgfeld

EXHIBIT A

EXHIBIT B PROJECT MAP



TEXAS DEPARTMENT OF TRANSPORTATION
SAN ANTONIO DISTRICT



JULY 29, 2004

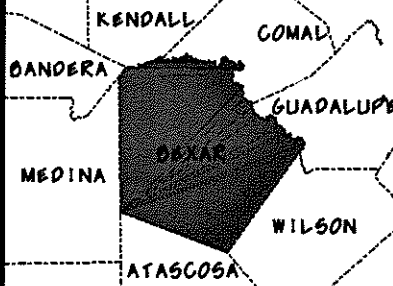
EXHIBIT B: PROJECT MAP

Directional Interchanges Constructed By CDA

- Two (2) Direct Connectors
- Four (4) Direct Connectors
- ◆ Eight (8) Direct Connectors

Roadway

- Constructed By TxDOT-Project 1
- Constructed By TxDOT-Project 2
- Constructed By TxDOT-Project 3
- Constructed By TxDOT-Project 4
- Constructed By TxDOT (Project 3 & 4) and CDA
- Constructed By CDA



FORM A
TRANSMITTAL LETTER

PROPOSER: _____

PQS Date: [Insert Date]

Texas Department of Transportation
125 East 11th Street, Fifth Floor
Austin, Texas 78701
Attn: Mr. Ed Pensock, P.E.

The undersigned ("Proposer") submits this proposal and qualification submittal (this "PQS") in response to that certain Request for Competing Proposals and Qualifications dated as of July 29, 2005 (as amended, the "RFPQ"), issued by the Texas Department of Transportation ("TxDOT") to develop, design, construct, finance, operate and maintain portions of US 281-Loop1604 Toll Project in Bexar County, as well as other potential facilities to the extent necessary for connectivity and financing, through a Comprehensive Development Agreement ("CDA"). Initially capitalized terms not otherwise defined herein shall have the meanings set forth in the RFPQ.

Enclosed, and by this reference incorporated herein and made a part of this PQS, are the following:

- Volume 1: Transmittal Letter (this Form A), Executive Summary, Confidential Information List, Entity Qualifications, Legal Qualifications, Conceptual Project Development Plan, Conceptual Project Financing Plan;
- Volume 2: Financial Qualifications; and
- Volume 3: Forms B and C, Personnel Qualifications, Project Descriptions.

Proposer acknowledges receipt, understanding and full consideration of all materials posted on TxDOT's website with respect to the Project (<http://www.dot.state.tx.us>) by linking through **e-Business / Consultant Services / Texas Turnpike Authority** to and through the Notice of Intent to Issue a Request for Proposals / Qualifications to the web page: <http://www.dot.state.tx.us/tta/contract/request.htm> and the following addenda and sets of questions and answers to the RFPQ:

[Proposer to list any addenda to this RFPQ and sets of questions and answers by dates and numbers prior to executing Form A]

Proposer represents and warrants that it has read the RFPQ and agrees to abide by the

Form A
Page 1

contents and terms of the RFPQ and the PQS.

Proposer understands that TxDOT is not bound to shortlist any Proposer and may reject each PQS TxDOT may receive.

Proposer further understands that all costs and expenses incurred by it in preparing this PQS and participating in the Project procurement process will be borne solely by the Proposer, except, to the extent of any payment made by TxDOT for work product, as described in Section 3.1 of the RFPQ.

Proposer agrees that TxDOT will not be responsible for any errors, omissions, inaccuracies or incomplete statements in this PQS.

This PQS shall be governed by and construed in all respects according to the laws of the State of Texas.

Proposer's business address:

(No.) (Street) (Floor or Suite)

(City) (State or Province) (ZIP or Postal Code)(Country)

State or Country of Incorporation/Formation/Organization: _____

[insert appropriate signature block from following pages]

1. Sample signature block for corporation or limited liability company:

[Insert Proposer's name]

By: _____

Print Name: _____

Title: _____

2. Sample signature block for partnership or joint venture:

[Insert Proposer's name]

By: *[Insert general partner's or member's name]*

By: _____

Print Name: _____

Title: _____

[Add signatures of additional general partners or members as appropriate]

3. Sample signature block for attorney in fact:

[Insert Proposer's name]

By: _____

Print Name: _____

Attorney in Fact

FORM B
INFORMATION REGARDING
PROPOSER, EQUITY MEMBERS AND MAJOR NON-EQUITY MEMBERS
(for Public Release)

Name of Proposer: _____

Name of Firm: _____

Year Established: _____ Individual Contact: _____

Individual's Title: _____

Federal Tax ID No.: _____ Telephone No.: _____

North American Industry Classification Code: _____ Fax No.: _____

Name of Official Representative: _____

Business Organization (check one):

- Corporation (If yes, then indicate the State and Year of Incorporation.)
- Partnership (If yes, complete Sections A-C and the Contractor Certification form for each member.)
- Joint Venture (If yes, complete Sections A-C and the Contractor Certification form for each member.)
- Limited Liability Company (If yes, complete Sections A-C and the Contractor Certification form for each member.)
- Other (describe)

A. Business Name: _____

B. Business Address: _____

Headquarters: _____

Office Performing Work: _____

Contact Telephone Number: _____

C. If the entity is a Joint Venture, Partnership or Limited Liability Company, indicate the name and role of each member firm in the space below. Complete a separate Contractor Information form for each member firm and attach it to the PQS. Also indicate the name and role of each other financially liable party and attach a separate form.

Name of Firm	Role
--------------	------

Under penalty of perjury, I certify that the foregoing is true and correct, and that I am the firm's Official Representative:

By: _____ Print Name: _____
Title: _____ Date: _____

[Please make additional copies of this form as needed.]

FORM C
CERTIFICATION

Proposer: _____

Name of Firm: _____

1. Has the firm or any affiliate* or any **current** officer thereof, been indicted or convicted of bid (i.e., fraud, bribery, collusion, conspiracy, antitrust, etc.) or other contract related crimes or violations or any other felony or serious misdemeanor within the past five years?

Yes No

If yes, please explain:

2. Has the firm or any affiliate* ever sought protection under any provision of any bankruptcy act?

Yes No

If yes, please explain:

3. Has the firm or any affiliate* ever been disqualified, removed, debarred or suspended from performing work for the federal government, any state or local government, or any foreign governmental entity?

Yes No

If yes, please explain:

4. Has the firm or any affiliate* ever been found liable in a civil suit or found guilty in a criminal action for making any false claim or other material misrepresentation to a public entity?

Yes No

If yes, as to each such inquiry, state the name of the public agency, the date of the inquiry, the grounds on which the public agency based the inquiry, and the result of the inquiry.

5. Has any construction project performed or managed by the firm or, to the

FORM C
Page 1

knowledge of the undersigned, any affiliate* involved repeated or multiple failures to comply with safety rules, regulations, or requirements?

Yes No

If yes, please identify the team members and the projects, provide an explanation of the circumstances, and provide owner contact information including telephone numbers.

6. Has the firm or any affiliate* been found, adjudicated or determined by any federal or state court or agency (including, but not limited to, the Equal Employment Opportunity Commission, the Office of Federal Contract Compliance Programs and any applicable Texas governmental agency) to have violated any laws or Executive Orders relating to employment discrimination or affirmative action, including but not limited to Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. Sections 2000 *et seq.*); the Equal Pay Act (29 U.S.C. Section 206(d)); and any applicable or similar Texas law?

Yes No

If yes, please explain:

7. Has the firm or any affiliate* been found, adjudicated, or determined by any state court, state administrative agency, including, but not limited to, the Texas Department of Labor (or its equivalent), federal court or federal agency, to have violated or failed to comply with any law or regulation of the United States or any state governing prevailing wages (including but not limited to payment for health and welfare, pension, vacation, travel time, subsistence, apprenticeship or other training, or other fringe benefits) or overtime compensation?

Yes No

If yes, please explain:

8. With respect to each of Questions 1-7 above, if not previously answered or included in a prior response on this form, is any proceeding, claim, matter, suit, indictment, etc. currently pending against the firm that could result in the firm being found liable, guilty or in violation of the matters referenced in Questions 1-7 above and/or subject to debarment, suspension, removal or disqualification by the federal government, any state or local government, or any foreign governmental entity?

Yes No

FORM C
Page 2

If yes, please explain and provide the information requested as to such similar items set forth in Questions 1-7 above.

* The term "Affiliates" includes parent companies, subsidiary companies, joint venture members and partners, and other financially liable parties for that entity.

Under penalty of perjury, I certify that the foregoing is true and correct, and that I am the firm's Official Representative:

By: _____

Print Name: _____

Title: _____

Date: _____

Texas Department of Transportation Commission Meeting

Dewitt C. Greer Building
125 East 11th Street
Austin, Texas

Thursday, June 30, 2005

COMMISSION MEMBERS:

RIC WILLIAMSON, CHAIRMAN
HOPE ANDRADE
TED HOUGHTON, JR.
JOHN W. JOHNSON (not present)

STAFF:

MICHAEL W. BEHRENS, P.E., Executive Director
STEVE SIMMONS, Deputy Executive Director
RICHARD MONROE, General Counsel
ROGER POLSON, Executive Assistant to the Deputy Executive Director
DEE HERNANDEZ, Chief Minute Clerk

AGENDA ITEMS DISCUSSED

8. Toll Projects

- a. **Bexar County** - Designate tolled main lanes on US 281 from Loop 1604 to Marshall Road, including the direct connections to and from Loop 1604, as a toll project on the state highway system and as a controlled-access facility for the purpose of development, maintenance and operation (MO)
- b. **Bexar County**- Authorize publication of Request for Competing Proposals and Qualifications to develop, design, construct, finance, maintain and operate tolled, managed lanes on Loop 1604 from SH 151 to I-10 and on US 281 from Loop 1604 north to Borgfeld Road. The request relates to an unsolicited proposal from Zachry American Infrastructure and Cintra Concesiones de Infraestructuras de Transporte (MO)

9. Pass-Through Tolls

- a. **Bexar County** - Authorize the executive director to negotiate a pass-through toll agreement with Bexar County for improvements to various highway projects in the county (MO)

MR. HOUGHTON: So moved.

MS. ANDRADE: Second.

MR. WILLIAMSON: I have a motion and a second. All those in favor of the motion signify by saying aye.

(A chorus of ayes.)

MR. WILLIAMSON: All opposed no.

(No response.)

MR. WILLIAMSON: Motion carries.

MR. BEHRENS: Thank you. Agenda item number 8 concerning toll projects -- these two minute orders dealing with proposed toll projects in Bexar County. Amadeo Saenz will present.

MR. SAENZ: Good afternoon, Commissioners, Mr. Behrens. Agenda item 8(a) is a minute order before you that authorizes the designation of toll main lanes on US 281 from 1604 to Marshall Road. It includes the direct connectors to and from 1604 as a toll project on the state highway system.

We have completed the environmental assessment and have received environmental clearance to develop this project as a toll road. And this minute order recommends your approval so that it can be designated. Our project -- our first project on 281 is scheduled to go to contract about September this year. And it will be developed as a toll road. Staff recommends approval of this minute order.

MR. WILLIAMSON: Now, is there a recommendation here for going ahead and naming that toll road?

MR. SAENZ: No, sir, unless you want to add something.

MR. WILLIAMSON: I'm torn between naming it the Danny Shields Toll Road and the Bill Thornton Toll Road -- affectionately known as.

MR. SAENZ: We will be coming back to you all as we clear the environmental segments of 281 to the north, because 281 from 1604 all the way to the county road will be a toll road. As those environmental clearances is gained on those projects then we will come back and designate those projects prior to construction.

MR. WILLIAMSON: I guess I just want to ask, Amadeo, clearly for the record, and particularly since Patrick Driscoll from the San Antonio area is down here writing, would these projects be advancing today if they were not toll projects?

MR. SAENZ: No, sir. I think the San Antonio MPO and the RMA and TxDOT put together their Metropolitan Mobility Plan, and this project would have been delayed I think about 10 to 12 years if they had not been developed as toll roads.

MR. WILLIAMSON: Frequently we hear -- and I think it's a legitimate question, but frequently we hear the question, Well, but you really have the gas tax money someplace else, you're just choosing not to spend it in San Antonio.

What percentage of projects in the state at the same level of disaster could we purchase with our current cash flow if we weren't tolling? In other words, if we took all the projects in the state that fell into the same category as 281 and said, We're going to not toll, we're just going to take our gas tax money and we're going to spend it on those projects, what percentage of those projects --

MR. SAENZ: We can --

MR. WILLIAMSON: -- in your estimation --

MR. SAENZ: -- do about one-third of the projects with our funding without implementing any of the innovative financing such as toll. So we can address about one-third of our mobility needs with the current cash that we have.

MR. WILLIAMSON: And that would includes roads that go all the way up into Comal County.

MR. SAENZ: That's correct.

MR. HOUGHTON: What's the cost of this project?

MR. SAENZ: This project here I believe is --

David, are you here?

MR. CASTEEL: Yes, sir.

MR. SAENZ: About \$70 million. We've been using 70 million all this morning.

MR. HOUGHTON: How much of it's toll viable?

MR. SAENZ: Toll viable? I think -- the starter system for San Antonio I think had -- or the 281 portion of the starter system had a --

MR. CASTEEL: -- had a really high -- let me get to a microphone.

MR. SAENZ: Let me get the numbers a little closer that I have.

MR. CASTEEL: David Casteel. I work in San Antonio for TxDOT. The starter system --

MR. WILLIAMSON: You notice he didn't admit to being the district engineer. He's keeping a low profile today.

MR. CASTEEL: I'm just hoping to still be there tomorrow. The starter system of the whole includes 281 plus the interchanges at 281 and 1604, which are the two that you're voting on today, plus some work on 1604 plus an interchange at 10 and 1604. I think we've shown on that map before.

That project as a whole under our studies is around 50 percent toll viable -- all of them together. The 281 portion is probably the strongest of those individual projects --

MR. HOUGHTON: What's the total cost?

MR. CASTEEL: -- as far as toll viability.

MR. HOUGHTON: What's the total cost?

MR. CASTEEL: The total cost of --

MR. HOUGHTON: Of all those things you just talked about.

MR. CASTEEL: -- all of it? About 1.3 billion.

MR. HOUGHTON: How much?

MR. CASTEEL: Of the total starter system?

MR. HOUGHTON: Right.

MR. CASTEEL: It's currently estimated at \$599 million. The starter system plus the extension on into Comal County plus extensions east and west -- that whole system would be about 1.3 billion.

MR. HOUGHTON: So 50 percent viable.

MR. CASTEEL: On the starter system portion, yes.

MR. HOUGHTON: On the starter system. Okay. So you've got about \$300 million of --

MR. SAENZ: Of tolls --

MR. HOUGHTON: Of tolls.

MR. SAENZ: -- leveraged, yes. David, start --

MS. ANDRADE: I'm sorry.

MR. CASTEEL: Yes, Commissioner.

MS. ANDRADE: David -- and so it's going to be let out September 2005 --

MR. CASTEEL: Yes, ma'am.

MS. ANDRADE: -- and completed?

MR. CASTEEL: We have a few utilities to move and a -- and still a gas station to buy. So we think we could probably start the actual construction in about six months after September. Then it looks like about a 32- to 36-month construction window on that project.

MS. ANDRADE: About three years. And yesterday our Governor was in San Antonio announcing --

MR. CASTEEL: Washington Mutual.

MS. ANDRADE: Washington Mutual. And this was -- this project was planned even before that announcement. So any of us that travel on 281 understand that it was much needed back then, and now more so.

MR. CASTEEL: Right. Yes, ma'am. Washington Mutual will be located at the corner of Stone Oak and 281. And, of course, the county judge is back there. He knows actual job numbers. But it's another 5,000 jobs or so when it's all said and done over the next seven years. And those will be traversing this corridor as well.

MR. WILLIAMSON: David --

MR. CASTEEL: Yes, Chairman.

MR. WILLIAMSON: -- now aren't we doing some work on -- aren't we trying to get to the point where we can map or project about where we think the people who will move to the Bexar County area as a result of things like Washington Mutual are probably going to live? Aren't we -

MR. CASTEEL: Yes, sir. We work with the MPO and the Council of Governments on the

demographics of where they'll live and how they'll travel.

MR. WILLIAMSON: How likely is it that some of those people moving into the Bexar County area that work at Washington Mutual or its support offices are going to live in Comal County?

MR. CASTEEL: I would say a lot of them will. Comal County, you know, is a pretty attractive area because you can develop your house on a pretty decent size acreage up there still. So -- and, you know -- and the Judge knows -- again, knows better than I do. But I would say, you know, since some of these people are relocating from Seattle and that area they might be able to buy a little more property in Bexar County and Comal County than they were able to afford up in Seattle. So they might buy a little piece of property down here.

MR. WILLIAMSON: I was just curious.

MR. CASTEEL: Yes, sir.

MR. WILLIAMSON: I'm real curious about roads in Comal County right now.

MR. CASTEEL: Yes, sir.

MR. HOUGHTON: Don't leave yet. Don't leave yet. I'm still back on the 600 million/300 million stuff.

MR. CASTEEL: Okay.

MR. HOUGHTON: The balance, Amadeo, is coming from -- or, David -- Category 2?

MR. SAENZ: Yes, sir.

MR. HOUGHTON: Which is our contribution --

MR. SAENZ: I'll let David address that because it ties into the whole plan that they put together.

MR. HOUGHTON: Well, I guess what I'm getting to is where -- this is an RMA project. Correct?

MR. CASTEEL: We anticipate it will be part of the RMA system. Yes, sir.

MR. HOUGHTON: We have not conveyed that to the RMA?

MR. CASTEEL: No, they haven't adopted it yet. We've been working under the understanding that we -- you know, we -- since they were pretty new we and the MPO have been -- and the RMA have been working on finances together and trying to get these things kick-started.

MR. HOUGHTON: Okay. And we'll obviously have an equity contribution to this project. Correct?

MR. CASTEEL: Yes, sir. On the starter system that we call -- which includes 281 -- that's interchanges and 1604 -- that is -- currently as we have it it's funded with -- I believe there's Category -- there's \$10 million worth of Category 12, which is Commission Strategic Priority on 281. There is 164 million --

MR. HOUGHTON: Have we approved that yet?

MR. CASTEEL: Yes, sir. You did that several years back.

MR. HOUGHTON: Okay.

MR. CASTEEL: We've got \$164 million in the whole system of Texas Mobility Funds. And we have the remaining coming out of Category 2, which is the Metropolitan Mobility funds that you sub-allocate to the MPO that they chose to put on this. And those state funds total up to about \$449 million for the starter system total, with the remaining that's needed from that coming from bond sales.

MR. WILLIAMSON: Any other questions or discussion? (Pause.) Okay. You're not laying this out. You got something else you want to say to us?

MR. SAENZ: I'm done.

MR. WILLIAMSON: You'll all did good. You want to make a recommendation?

MR. SAENZ: Staff recommends -- I made a recommendation -- staff recommends approval of the minute order that will designate this portion of 281, as well as the interchange as a toll project.

MS. ANDRADE: So moved.

MR. HOUGHTON: Second. It's your district. I'm sorry.

MS. ANDRADE: I'm sorry. Please, allow me. Give me this honor.

MR. WILLIAMSON: Commissioner Andrade moves and Mr. Houghton seconds. All those in favor of the motion will signify by saying aye.

(A chorus of ayes.)

MR. WILLIAMSON: All opposed no.

(No response.)

MR. WILLIAMSON: Motion carries. Did we name that toll way?

MR. SAENZ: Oh, we didn't name that -- we'll have to come back with another minute order.

Agenda item 8(b) is an agenda from requesting to go out for competing proposals to develop toll and managed lanes along 1604 from 151 to I-10 East on the east side of San Antonio and also on 281 from 1604 north to Borgfeld Road.

The department has received an unsolicited proposal for the -- from a consortium led by Zachry & Cintra -- the consortium is known as Zachry American/Cintra -- for the development of proposed toll projects along 1604 from 151 to I-10 on the east side of San Antonio and also along 281 from 1604 north all the way to Borgfeld Road -- almost at the county line.

Staff has reviewed this proposal. We have been working also with the Alamo RMA because they're the RMA in that area, as well as the MPO, to look at the financial feasibility impact of a proposal like this on their Metropolitan Mobility Plan and their financial plan that they have put in place.

We are also looking at wanting to make sure that we do not delay any of the projects. And that's why we moved forward with the previous minute order to designate that first portion as a toll road so that we can let it according to our schedule.

And then one of the requirements of the process when we do -- we are working with them also in developing a memorandum of understanding between TxDOT and MPO and the RMA on the potential of transferring this project over to the RMA in the future since the RMA would be developing this project as part of the starter system.

All these things are going in line. Looking at the financial impact, as I mentioned, and -- so as

to keep all the things going. Staff at TxDOT reviewed the proposal and we feel that it meets the requirements and would recommend continuing with the process, which would -- asking your approval to publish for competing proposals and qualifications in the Texas Register that we will ask the other firms to submit proposals to us.

We will work with the MPO and the RMA in determining how the proposals will be evaluated. We'd like to post this out for 90 days and see what else it can bring to us so that this project can move forward. This will allow us to expedite the whole starter system much quicker.

MR. WILLIAMSON: And, members, Chairman Thornton is already here to protest not naming this tollway after him. He's already mad that we haven't named the tollway after him. He wishes to speak on that. We'll recognize Mr. Thornton, Amadeo -- Chairman Thornton -- excuse me. (Pause.) Look, you're narrowed down to one of two. It's either you or the county judge up in Comal County.

MR. THORNTON: I suggest we name it for Daniel Shield. He can come ride on it when he wants to get somewhere fast. I have a business in New Braunfels, and they need help. Congestion is an issue today.

MR. WILLIAMSON: That would make me a good straight man for that line.

MR. THORNTON: By the way, I've tried to get that vest. And if that lady's going to make me one in Kevlar I'm coming once a month over here. And I think that little addition would be helpful.

Let me say this. We've got Jim Reed, who was leading --

Jim, I don't think you've been to one of these Commission meetings. Stand up and let them see you.

He's one of our volunteer board members who's leading the planning process.

We have our judge -- county judge. Ric, this will make you happy.

Nelson is here, and he is -- my job is to make you just as happy as I can get you because they're next on the item. And how many -- how much are you asking for, Nelson? Hundred-and-some-odd --

MR. WILLIAMSON: It's a --

MR. THORNTON: -- million.

MR. WILLIAMSON: -- bunch.

MR. THORNTON: For 100 million I can be real nice -- or I will try to be. Let me say, Jim and I met -- Tom Griebel met with Amadeo Saenz today, and I want to thank him for that -- and Mr. Behrens. We had a good meeting in his office, which I think was very helpful.

The local staff -- David Casteel, Julie Brown, Clay Smith, Frank Holtzman, Jennifer Moczygemba -- every one of them seems to be here today except for Julie Brown. I guess she's back in charge.

But those here in Austin -- Mike Behrens and Amadeo I mentioned -- Phil Russell we've had communications with -- Doug Woodall and James Bass and James Ingram -- Jack Ingram.

Our Commissioner, Hope Andrade, is someone that we're proud of that's serving. And I asked back there a while ago how much do you guys get paid a year to peel onions because you all are spending a lot of time and a lot of work and there are those of us who appreciate what you're doing.

Let me be as brief and to the point of what we're doing -- and I make reference back, Mr. Chairman, to the letter that was signed by the mayor of San Antonio, the county judge, and me on April 25.

And just from that letter regarding this motion before you today -- because I think it still holds, not only the essence, but the specifics of what our feelings are. Near the end of the letter it says, We cannot speak to the merits of TxDOT accepting this CDA submission, which is what's before you.

But we ask should a submission be made it would best be -- it would be best if referred to and considered for -- and I emphasize these two words -- final approval. And let me add one more word -- final approval/disapproval -- by the Alamo RMA.

The last sentence in that paragraph says, Submission of the CDA to the Alamo RMA would allow -- promise local control, which is a big issue in our part of the world, to be maintained.

Let me just say what you're doing is your business. This is your meeting and you all can do anything that you want -- and we recognize that. I will tell you that our interest is in local control and basically approval or disapproval of what will be done.

And, as we spoke with Mr. Saenz today, for us to participate -- the possibility of a toll equity grant to have those intellectual resources on our behalf -- the consultants, financial, engineering, legal -- to deal with this.

I end with this. I still think when the history of the highway department, as I used to know it, is written someday this transformation over to RMAs is going to be one of the most significant things that you all have done. It's a complete mind shift of how things are done in Texas.

And I do believe that we in San Antonio are going to be one of the boards that will have done it correctly for you. I don't think our requests are -- request for approval/disapproval is out of order. That was the intent of the RMAs -- is to push decision making down to the local level.

And I can assure you, as we're now starting to get some efforts towards opposition -- or organizing opposition that would be probably dealt with better if were dealt with locally. If not -- you know, if it's not done locally with the RMA making that decision then those folks will tell them they need to come to Austin.

But we're prepared to do it. We'd like to do it. We're not afraid of public debate because we think the project is filled with merit that warrants the support.

But we would ask those questions. We are meeting with Mr. Saenz and his staff. Those meetings are going well. Our legal departments are meeting through I think under Mr. Behrens' direction. And we would make those two requests.

MR. WILLIAMSON: Members?

MR. HOUGHTON: I'm confused. Are you opposing or -- this agenda item?

MR. WILLIAMSON: Don't get him started.

MR. THORNTON: That's right. I'm looking at the Chairman. What do you want me to say, Ric?

MR. WILLIAMSON: Chairman Thornton, who is a valued partner in the transportation world of Texas, has some concerns that this process should be handed directly over to the RMA and taken out of our hands. And we just are going to have to agree as gentlemen that we don't believe that's possible that we can be partners and work it together.

And I'm not uncomfortable with the word "approval or disapproval" at all. Because in the end if the project doesn't make sense to them then it's not going to go forward.

MR. THORNTON: This road -- as Commissioner Andrade mentioned, this is dead center in so much of the activity of our community. The growth -- Washington Mutual, which is -- even those of us that are fairly literate in what's happening are finding it's a bigger project than we even thought.

Placing a toll road in Bexar County where there's never been one before, having it owned by a company that's Cintra out of Madrid, and people asking questions of where is the money going, how much are we paying, where is it going -- those are issues that we think local citizens ought to be the ones making those.

My understanding of the RMA process is it would be pushed down -- the projects would be pushed down to the local level where they would be made locally.

In this transition time -- at this point the proposal was submitted to TxDOT here in Austin. And we're standing here today saying we're prepared to take it if you give us the money -- we don't have any money -- to do the work to evaluate it properly. We are prepared in terms of work effort, of consultation with those people that can help us make that decision, and we think that's where the decision ought to be made. And if it's not made by us then why -- what are we doing -- what are we doing here. Why is our RMA meeting?

MR. HOUGHTON: Well, Bill, I don't think there's any decision being made. I'm glad Austin and Dallas and Fort Worth didn't have this attitude on the CDAs that are being proposed in their areas. And we're not deciding who's going to be the ultimate -- if there is an ultimate. You're presuming that Cintra is going to be the successful proposer, which is beyond, you know, fact.

Now, let me just tell you where -- my perspective I come from. I sit on the selection and evaluation team for the Trans-Texas Corridor 35, and have been involved with that with Commissioner Nichols the last year.

And it is an involved, tremendously time-consuming process that very few -- if maybe one or two states in this -- I think -- excuse me -- we may be the first state to look at this type of process. And we're using our wherewithal to evaluate these proposals see what's best in the interest of the state of Texas.

I don't think we're making any decisions. I think we're allowing competing proposals based upon some criteria we set out. So I don't -- I'm really confused -- I'm really dismayed at the thought that there would be opposition to moving forward.

MR. THORNTON: Let me be real blunt.

MR. WILLIAMSON: I don't know that Bill's opposed. I think Bill's concern is that --

MR. THORNTON: I'm not opposed.

MR. WILLIAMSON: -- is that he's not as involved --

MR. THORNTON: I would like the decisions --

MR. WILLIAMSON: -- as he'd like to be.

MR. THORNTON: -- to be made -- the final approval decision to be made locally.

MR. WILLIAMSON: Great.

MR. THORNTON: And we're not -- the truth of it is, do you know what notification I had of this meeting, Commissioner? Do you know what notification I had that this item was on the agenda, even though it's dead center in our project? (Pause.) None, other than through personal communications or phone calls.

And so I'm a little uneasy to know where my place at the table is as chairman of the RMA is

what I learned is hearsay from a reporter from the newspaper these ways. I -- you can probably gather we're a little uncertain as to how this ought to be done. The way for us to be comfortable is for the decision to be placed on our table in our arena with it being our decision.

And let me say about the work -- we're not afraid of work and we're not afraid to make decisions. And if we have the resources to hire the consultants we would welcome that opportunity. In fact, we're asking for that opportunity.

MR. WILLIAMSON: We may work that out.

MR. THORNTON: I think we will.

MR. WILLIAMSON: But I saw my lawyer jump up. And when my lawyer jumps up I say --

MR. THORNTON: Yes, I kind of think that, too.

MR. WILLIAMSON: -- lawyer, do we need to hear something?

MR. THORNTON: Well, my lawyer's headed for Alaska, and that's not fair. And I'm glad he is. You all know who he is. He's a good man and I think he deserves that.

MR. MONROE: For the record, Richard Monroe, general counsel to the department. Our rules put the decision as to what to do with CDAs with the Commission. Therefore, I would advise as a lawyer to the department that it not be left to another government entity. Certainly understand their concern, but I don't believe that's appropriate.

MR. WILLIAMSON: Thank you.

MR. THORNTON: May I respond, Commissioner -- Chairman? If that's --

MR. WILLIAMSON: I'm watching my lawyer to see --

MR. THORNTON: If that's what you follow here's the consequence. The decision will be made in this room by these commissioners to place a toll road in Texas that is owned -- or managed by CintraZachry, and then --

MR. WILLIAMSON: Someone.

MR. HOUGHTON: Bill, that is the farthest thing from the truth. We can't do that unilaterally. We've got to go out for competing.

MR. THORNTON: I'm sorry.

MR. HOUGHTON: We have to have competing.

MR. THORNTON: I understand.

MR. HOUGHTON: That's what we're doing today.

MR. THORNTON: I understand. We're saying at the beginning of the process it would be unfair to you if we have these concerns today that at the end of the process for approval/disapproval that that did not rest with us, we should as friends tell you that at the beginning and avoid that, why didn't you tell us at the front end?

We're telling you today that the first domino falling in this process -- this being the request for proposal --

MR. HOUGHTON: I would advise you to talk to Michael Morris in Dallas and Bob Tesch here in Austin about our partnership -- our ongoing partnership on CDAs and evaluations and the true

partnership we have had in this process. And we have a process with them and a relationship - a good one -- and they have input. So that's my advice to you.

MR. THORNTON: I will follow your advice.

MR. WILLIAMSON: Bill, you might could help me. I have a letter here from Art Hall. Unless -- Art, are you here? (Pause.)

MR. THORNTON: No. What is today? Thursday? Council day.

MR. WILLIAMSON: Is Art -- is this letter basically focused on this same area --

MR. THORNTON: I have no idea. I know there was a letter being circulated yesterday. And we -- there was -- not initiated by the RMA staff or Council or --

MR. WILLIAMSON: You're not familiar with a young man by the name of Kevin Wolff, are you?

MR. THORNTON: One of the nicest young men you'll ever meet.

MR. WILLIAMSON: Oh, listen to you.

MR. THORNTON: Got a full head of hair and just a really happy guy. Let me say what that falls from my thinking, Mr. Chairman. We are funded by two loans, one 500,000 a year from the county, 500,000 a year from the city -- and these are our Council members. And they feel ownership in this.

And we gave a report under Tom Windorff who is the director of public works -- or title of that nature -- and questions arose from this. And it goes back to public control over this. And that, Commissioner, is what I'm -- I think the more the perception and the reality can be that this decision being made -- even this one today being made locally, the smoother this process will go.

It is not an automatic that Bexar County will receive toll roads without comment. We're getting people from Austin, we're getting people from Comal County -- Judge Shield's county -- who are coming to our county now to organize against this. And we're prepared to defend the projects.

But if we're going to defend them we would like to be the ones making the decisions. I don't want to defend what someone else is doing. I want to defend a decision we've made.

MR. WILLIAMSON: I want to -- is that it, Bill?

MR. THORNTON: Good to talk to you.

MR. WILLIAMSON: Good to talk to you, too. Good to see you. I got this letter from Art Hall. I don't want to read it in the record. I just -- his concern was if the process is to proceed he hopes that it will proceed under three conditions -- that RMA and the MPO be involved in the procurement process, that the selection criteria place high priority on local concerns, and that the financing, design, construction, operation, and maintenance be open to all alternatives and not linked to one particular method.

And I think -- just again for the record, I'll be sending Councilperson Hall a letter saying I appreciate you doing this, and, you know, please be advised that TxDOT has no intention of doing anything, whether the law requires it be only us or not, that doesn't comport with the goals and objectives of the RMA and the City Council and the County Commissioner's Court. We don't wish to start a argument that will disrupt one of the most important construction projects in the state.

Although I guess, you know, the alternative is to go back to the old way, but, you know, that

was why I had Amadeo put into the record for about the fiftieth time -- you know, I appreciate the Danny Shields of the world. They pay taxes; they have a right to be heard. I appreciate the David Stalls and the Corridor Watches, Sal Castellós, and all of the panoply of toll opponents that exist. They are Texans. They have a right to be heard.

But in the end the backdrop is simply this. There are -- I think the number is \$37 billion in 281 projects stacked up in the state waiting to be built. North Houston is no more and no less important than north San Antonio. South Dallas is no more and no less important than San Antonio.

We can choose to wait 10, 12, 18, 20 years to build these roads or we can choose to move forward as we are. If we choose to move forward as we have then we can finance them with the public's debt or we can take private sector partners and finance it with the private sector's debt leaving our debt capacity something -- I know you know something about, as a former city government person, leaving our debt capacity free to build other things.

There is no road fairy, there is no godfather waiting to deliver cash from Washington, D.C., to make our life better, there is no hidden pot of gold at TxDOT. Anyone who says that is simply misled or not telling the truth. Those are our choices.

It's stark, it's difficult, it's the way life is. I don't know how else to deal with it.

MR. THORNTON: Let me comment. I captured your vision. I agree with you completely. My presence today is to say only this -- that the decision be made locally. Your dream and your vision that was thought of years ago -- and the legislation that created RMAs is creative -- it's clever, it's good. My comment today is that the decision be made locally.

MR. WILLIAMSON: I'm all for that.

MR. THORNTON: In other counties that don't --

MR. WILLIAMSON: [indiscernible].

MR. THORNTON: You know, I think we're stepping forward -- and we've worked hard. We're ready to take these things. And that's why I don't back away from work because we're -- our RMA's established well; we've I think positioned ourselves to do it. I'm just stating that we would like to make that approval/disapproval.

Second thing, Mr. Chairman, I was in Weatherford and I tried to text mail you from the Downtown Café.

MR. WILLIAMSON: Didn't work.

MR. THORNTON: Didn't work. But I messaged you at least a couple of weeks ago.

MR. WILLIAMSON: They even have a phone down there?

MR. THORNTON: No, I carry my own. You won't believe this. These are wireless phones and you can use them almost anywhere in Texas except the Downtown Café in Weatherford.

MR. WILLIAMSON: I'm aware.

MR. THORNTON: Thank you very much.

MR. WILLIAMSON: Thank you. I appreciate it.

MS. ANDRADE: Mr. Chairman?

MR. WILLIAMSON: Please.

MS. ANDRADE: On this letter received from Art Hall, I received a call this morning that we have a new mayor in San Antonio, and he's now changed the Council meetings to 9:00 a.m. Otherwise, Councilman Wolff had planned to be here.

MR. WILLIAMSON: Ah.

MS. ANDRADE: So that's why this letter was delivered by fax.

MR. WILLIAMSON: Do you know Councilman Wolff?

MS. ANDRADE: Absolutely.

MR. WILLIAMSON: Is he any kin to that rascalion county judge, Nelson Wolff? I heard he was kin.

MS. ANDRADE: He's kin, and he's just like his daddy. He's going to be a great leader for San Antonio.

MR. WILLIAMSON: Amadeo, before we vote --

MR. ANDRADE: I wanted to clear something else, Mr. Chairman.

Amadeo, on this minute order would you clarify what is it -- the only thing that we are doing with this minute order --

MR. SAENZ: The only thing we're doing with this minute order -- our -- the statute, as well as the rules, require that when we receive an unsolicited proposal, and if we look at it, and on face value it looks good, before we can continue to evaluate that proposal we need to go out to the public to see if there are other firms or developers that want to submit a competing proposal.

So we go out for -- all we're doing is requesting to see if there is anybody else out there that is interested in submitting a proposal to be able to develop this project.

MS. ANDRADE: So no decisions are being made. The only thing that we're doing is we're opening it for public process.

MR. SAENZ: Yes, ma'am -- to see who else is out there and what else -- what those people may be able to bring to developing this project.

MS. ANDRADE: And everything else is moving forward as planned.

MR. SAENZ: Everything else would be moving forward as planned -- the financial impact analysis. We've been working closely with the RMA and MPO. Just a couple of facts on that. When you look at the -- compare the original plan that the MPO had put together for developing the starter system through the RMA it was 22 miles.

And they were going to be able to build a starter system by 2013. And then, of course, after some time you start generating revenue and you could build the extensions to the starter system by 2022.

And then the other toll project that they had identified in San Antonio was I-35. But that was not going to be able to get to -- they were not going to be able to get to that till 2025.

If you bring in a developer or someone that brings in additional revenue or additional resources you probably will not advance the starter system by much. Our estimate is that the starter system will be put in place about the same time frame, but it would free up money that you could do the extensions -- instead of after 2022 by about 2016. And the 35 project could be done after 2016 instead of after 2025.

So it will allow to accelerate the program in the San Antonio area. We will need to look at some

things to see what impact it has on cash flows and stuff like that. But that's something that we can continue to work. We can continue to work on that as we get -- allow potential developers to submit competing proposals over the next 90 days, and that will allow the project to continue to keep going. And, of course, at any time the request for competing proposals or the CDA procurement process can be stopped.

My understanding -- and I'll yield to Richard if he thinks I'm wrong -- but the project can be transferred to the RMA. And I think at the point of transfer -- I'm not sure if we can transfer the CDA procurement. Richard, I ask that.

MR. MONROE: It would depend on our contractual agreement with the person who we contracted with under the CDA. But Amadeo is quite right. You could transfer the project.

Once again I'd like to emphasize that both -- we are following the law as passed by the Legislature, and we're following our own rules when we do this. We are not making any decisions about what gets built, when it gets built, by whom it gets built, or even if it gets built.

MS. ANDRADE: And, Amadeo, two weeks ago David Casteel and the staff arranged for a public workshop where you and Phil Russell came in. And we had, I believe -- Was it three or four, David, during the day -- I lost count. (Pause.) Three?

We had three workshops. And they were all well attended. And we did our dog-and-pony show.

And how would you -- or what would you say was the reaction at the end of the meetings when we explained the process and how we would work together and our commitment? And also at that time did we not say that we -- if the staff concluded the work that it would come before the Commission meeting on June 30?

MR. SAENZ: That's correct, ma'am. We said exactly that. We said we were moving forward. I guess the first question -- the meetings were very well attended. I think there was 30, 40 people in each one of those. We had them scattered throughout the whole day.

The reaction that I -- I guess thought that I saw that I heard is that people were -- they're very interested in getting the infrastructure in San Antonio in place and getting it in place as quickly as possible. So they see this as a potential way to be able to do that. And that's kind of what I heard.

And, you know, as far as rolling out the process where we're working together. I think that they were very receptive to that also. One thing that we bring in working together is we do have the experience and we do have the manpower and resources that we can provide some assistance to the RMA. That's what we had proposed to them, is that we could jointly continue to look at it.

The memorandum of understanding that we're trying to draft at this time will outline the roles and responsibilities and the checks and balances, you might say, for this whole process. That does not really impact what we're trying to do today -- is to keep the process going. During this same 90-day period we can massage and fix all of that.

MS. ANDRADE: And our commitment remains to working with the community. But also, Richard, we said that we could only do so much within our guidelines because we have legal guidelines to abide by when we're reviewing a CDA. Is that correct that we cannot have a non-TxDOT staff person involved?

MR. MONROE: I do not say we could not have people involved from the local community. I certainly think that is appropriate and I think that's what we've done in the past as the Chairman said and as Commissioner Houghton said.

What we cannot and should not do, according to both the law and our own rules, is allow in effect a local government body to say to a state agency, You can't do that.

MS. ANDRADE: Okay.

MR. MONROE: That's turning the State Constitution on its head.

MS. ANDRADE: Thank you. That's all.

MR. WILLIAMSON: I love Richard Monroe.

MR. SAENZ: I guess I'll go back to the Commission -- I guess must authorize the department to publish in the Texas Register that we intend to evaluate the unsolicited proposal submitted by Zachry American/Cintra and that the department will accept for simultaneous consideration competing proposals. And that starts the process. And staff recommends approval.

MR. WILLIAMSON: I know that we had a great dialogue here today. This has been good. We permitted Bill, an appointment of Governor Perry, to get on the record his concerns about some things. And we've been allowed to place on the record our remarks about that.

I do want to add two more things -- a Chairman's prerogative to finish up. You know, there is going to be -- until the comprehensive development agreement approach has worked its way into the fabric of the state's contracting cloth there will continue to be questions I think immaterial, but, nonetheless, questions raised, about -- how did Ben put it yesterday -- I don't know how to ask about what I don't know about -- I think it's how he put it.

Amadeo, just so that the free press and those who are not familiar with the way we spend the taxpayers' money or educate it, if we were building this highway -- if we were expanding 281 as we normally would, and if we had the money, which we don't -- I want to emphasize that -- which we don't, would we send out a form -- a bid document form to the 200 contractors that we know are interested in building that highway?

MR. SAENZ: No, sir. Normally what we do -- we post in the local newspapers or at least to newspapers across the state. They also -- so that's our bid notices. And the contractors -- of course, they also work with the districts in --

MR. WILLIAMSON: Wait, wait. That's our notice that we're going to build something.

MR. SAENZ: Yes.

MR. WILLIAMSON: But when we get ready to ask Mr. Pitcock and Mr. Young and Mr. Fluor to propose the price to us don't we present them a document or a form --

MR. SAENZ: Yes. The normal --

MR. WILLIAMSON: -- that they fill out?

MR. SAENZ: Our normal process is design, bid --

MR. WILLIAMSON: Wait, wait. Answer that question, Amadeo.

MR. SAENZ: Okay. We --

MR. WILLIAMSON: Do we send them a form to fill out?

MR. SAENZ: He -- we post a form on the internet and he requests that form and brings it out.

MR. WILLIAMSON: Okay. And then when he brings it out is it broken down as to material and labor?

MR. SAENZ: It's broken out by work item and unit. And, of course, then he bids a price for that work item based on that unit.

MR. WILLIAMSON: Okay. So Mr. Pitcock, for example, might bid \$100 for one work item and

\$1,000 for one item and \$600 for one -- for the material.

MR. SAENZ: Yes, sir.

MR. WILLIAMSON: And Mr. Fluor might bid \$300 and \$400 and \$900.

MR. SAENZ: Yes, sir.

MR. WILLIAMSON: And then Mr. Pitcock might bid certain day/night or certain A/B contract considerations, and Mr. Fluor might bid different A/B considerations.

MR. SAENZ: If we had an A-plus/B type contract they would have that option.

MR. WILLIAMSON: And would we dare take Mr. Pitcock's bid and discuss the terms and conditions of his bid publicly while Mr. Fluor was still preparing his bid?

MR. SAENZ: No, sir.

MR. WILLIAMSON: And, see, Patrick and Bill -- you see the dilemma that the free press and you, Bill, ask of us. You want to satisfy the public's desire or curiosity to know about what its government's doing, which is good, but in the process we would end up exposing competing business persons' pricing to build the public's assets.

And there is a very little difference in the way we approach the CDA process than in the way we approach our normal process of getting a contract. We can't let Pete Zachry make a proposal to us that has terms and conditions in it that are proprietary to his bid and then expose his terms and conditions to the competitive pressure of Hope Andrade Construction Company, therefore, giving her an advantage. We can't do that.

And it is not -- the public's money is contracted every second of every day following these types of processes. Otherwise, you would never get anything built for the public if you did it the way that is sometimes suggested to us about this process.

What we're going to approve today is authorizing our staff to ask --

MR. SAENZ: To post in the Texas Register --

MR. WILLIAMSON: And I'm looking for somebody to pick on -- Tom Griebel Construction Company for an alternative proposal.

MR. SAENZ: Yes, sir.

MR. WILLIAMSON: That's what we're doing. We're not accepting --

MR. SAENZ: And then following --

MR. WILLIAMSON: -- that Zachry's proposal is good. We're not accepting that it's affordable. We're not accepting anything but the fact that we intend to address Bexar County's transportation problems. Whether it's with Zachry or Griebel or us or the RMA we are not going to sit here and let congestion destroy the economic livelihood of the northern sector of Bexar County. We're not going to do it.

We don't care what the county judge in Comal County says, what Corridor Watch says, or anybody else. We are going to address the transportation problems of this state. Do I have a motion?

MS. ANDRADE: So moved.

MR. HOUGHTON: Second.

MR. WILLIAMSON: A motion and a second. All in favor of the motion signify by saying aye.

(A chorus of ayes.)

MR. WILLIAMSON: All opposed no.

(No response.)

MR. SAENZ: Thank you.

MR. WILLIAMSON: Motion carries. Thank you, Amadeo.

MR. BEHRENS: Going to agenda item number 9 concerning pass-through tolls. We have two counties that are interested in negotiating with us on pass-through toll agreements. And I'll ask James Bass to present those two minute orders.

MR. BASS: Good afternoon, Commissioners. I'm James Bass, Director of Finance at TxDOT. Agenda item 9(a) seeks authorization to begin negotiations with Bexar County on a pass-through toll agreement. If negotiations prove to be successful we would come back to the Commission at a later date with terms for your final approval.

The county has submitted a pass-through toll proposal providing for the county to make improvements to three state highways in the area. In their proposal the county listed pass-through tolls amounting to in the neighborhood of \$120 million to be repaid over time based on actual traffic on the various projects.

Your approval today in no way would be an agreement to any of these specific terms, but, again, would merely allow the department to begin negotiations with the county. Staff recommends your approval of this minute order.

MR. HOUGHTON: James, what is -- or, Amadeo, what's the total cost of all the projects involved?

MR. BASS: 120 million --

MR. SAENZ: I believe it was 120 million.

MR. HOUGHTON: Total cost?

MR. SAENZ: Yes, sir. For the --

MR. HOUGHTON: Are they putting up money -- local money?

MR. SAENZ: Let me review --

MR. WILLIAMSON: I think they're going to front all of this, aren't they?

MR. SAENZ: I'm sorry?

MR. WILLIAMSON: They're going to front all of this and we're going to reimburse them.

MR. SAENZ: Right. They will build the projects, and they're asking for reimbursement of 120 million.

MR. HOUGHTON: Of 120 million.

MR. SAENZ: As we move forward -- if you all approve this and if we move forward through the negotiation we will look at what benefits both the department and the county and the city will

get and look at this. But they are using their -- what is the -- Advanced Transportation District dollars to front the money.

MR. WILLIAMSON: This was a bond election, wasn't it?

MR. SAENZ: Yes, sir. So that the --

MR. WILLIAMSON: Sales tax.

MR. SAENZ: It was a sales tax --

MR. WILLIAMSON: I'm sorry. Sales tax. I think one of the concerns -- I don't want to tear the scab off too quick, but I think one of the problems we created by Bill and Nelson and the new mayor is they went to the public and got the public to agree to this bond issue. And they want to be sure that we're not doing anything down here that will get them caught between what they -- promises they made to their public and what ends up being the case.

And we're not going to let that happen. I mean, the record needs to be clear. We're not going to let that happen.

MR. SAENZ: Advanced Transportation District has an increase in sales tax. So much money is set aside to transportation projects. That is what they're using as their revenue source to be able to build these projects now and then asking the department to reimburse them back over time based on traffic. And the cost of the project is about 120 million.

MR. HOUGHTON: Every one of these is different, so it's --

MR. SAENZ: Yes, sir.

MR. HOUGHTON: -- you know, clarification on where the revenue -- source of funds was.

MR. SAENZ: Right.

MR. WILLIAMSON: As you start negotiating with them, Amadeo, for the State will you take them down a path of let's look at what Montgomery County did, let's look at what Parker County did and --

MR. SAENZ: Yes, sir.

MR. WILLIAMSON: Because -- and I know it was a little pricier for us -- the Montgomery County deal over the long haul because of the revolving nature, but I -- the more I've thought about that process the more I've liked it -- the notion that we would, in effect, be financing a revolving fund for those counties to continue to build out of.

MR. SAENZ: And I think by them using their -- the Transportation District monies will give them the opportunity and then they can come back. In fact, the application for -- from -- this application has a Phase 2 -- that is later. We're basically addressing Phase 1 at this time. So we could be able to go back and do something like that.

MR. HOUGHTON: Yes, as that gets paid off what are they going to do with the proceeds of those funds.

MR. SAENZ: Yes, sir.

MR. HOUGHTON: They're going to come back into transportation or they just get sucked up somewhere else?

MR. SAENZ: They have -- they're dedicated to transportation. So they would come back to transportation at a future time. And we could use them, say, in the second phase or --

MR. HOUGHTON: Right.

MR. SAENZ: -- in a new pass-through toll project.

MR. HOUGHTON: Right. Right.

MR. SAENZ: So, in essence, we do have a revolving door because they have a source of money or -- that they can use for transportation. We'll have lots of pass-through toll projects.

MR. WILLIAMSON: And we also have Kevin Wolff's older brother, Nelson Wolff, who wishes to comment on this side of the --

Judge?

JUDGE WOLFF: It's nice to see you this morning. And I'm glad Bill handled the other issue and I'm handling this one.

MR. HOUGHTON: Would you care to comment on the other issue?

JUDGE WOLFF: Well, you know, I -- there is an agreement that was tentatively entered into -- or just a document signed by Tom Griebel or David Casteel and Joanne Walsh. And in alternative 3, where they have the possible implementation, was drawing some relationships between the RMA and TxDOT. And, hopefully, this local decision making authority, if we have any, can be clarified there about how we are operating and what will the local RMA have to say about that. And I think as you negotiate those terms hopefully they'll be able to get worked out where everybody's satisfied.

MR. WILLIAMSON: I think it will work out to everybody's satisfaction.

JUDGE WOLFF: Where everybody's happy about that. Because I think we're all --

MR. WILLIAMSON: Because nothing's worse than getting those upper case eight-pitch e-mails from Bill Thornton chewing your rear end out.

JUDGE WOLFF: Well, Bill's never been one to be bashful about anything. And, you know, in a way when you have little conflicts usually something good comes out of it --

MR. WILLIAMSON: Oh, yes.

JUDGE WOLFF: -- for everybody that stays attached to it and gets them done. But I think hopefully that's going to be able to get worked out and draw that relationship between what the RMA will be responsible for and what this department will be responsible for.

Let me thank you, Chairman, for allowing me just to say a few words. I'm currently Bexar County Judge, and I also chair -- Chairman of the San Antonio Mobility Coalition, which is a public/private partnership that is addressing the transportation needs.

And, Commissioner, we did have a ATD election that I chaired, and it was a sales tax election. And it provides for an ongoing forever of at least \$8.5 million a year dedicated to highway projects. And so it starts out at 8.5-. As sales tax goes up that will continue to be plowed back in to matching funds with the department.

So it's a source of funding for us that will grow and be able to leverage as these years go by. And if we finish these projects with the bonds that we would issue using the pass-through, using the ATD funds, then we could go to another project as that gets completed. And we do have some other funds I think tucked away on some of the other projects that would match some of the state funding.

And our idea is exactly what you all have pointed out from the start -- is to accelerate the construction of these projects. Because as you accelerate construction with all the pricing from

cement to steel to everything else going higher it makes a lot more sense to issue debt, get your project going, and save more money in the long term.

And that's part of this package that we're presenting to you in three specific projects that would -- we would at the county level issue the bonds for and move forward for based on those -- on the funding mechanism -- the ATD and the pass-through.

David Casteel -- let me tell you, I think we've got the best district engineer of anywhere in the state. I've been around politics in San Antonio for some about 30-some-odd years now I guess. And he has really been a bright star with us, and we appreciate him working with us and with the MPO and the Alamo RMA and the City of San Antonio via -- everybody's been trying to pull together to be a partnership and accelerating construction of highway projects.

Sam Dawson is going to present some of these more specifically to you. Sam is the former chairman of the Mobility Coalition -- continues to be a leader in transportation. Sam?

MR. DAWSON: Thank you, Judge Wolff.

Mr. Chairman, members of the Commission, Mr. Behrens, good to see you all.

As Judge Wolff already emphasized, I think you know in San Antonio we have been investing in ourselves. And so this plan that we have before you today not only brings money to the table, but I hope that you will find it is bringing creative and innovative solutions to the table.

We've talked a little bit about the quarter-cent sales tax for San Antonio. That was a tremendous effort. And legislatively we went back and got legislation approved so that forever 25 percent of that money will be set aside for matching and leveraging state funds. And then we went back and got additional legislation that allows us to use that money to pay down interest and pay off bonds. So we've made a tremendous effort with that.

Some other additional items that we've done recently -- obviously the creation of our RMA. And then also with our own MPO we have in policy a plan where 25 percent of our STPMM funds will always be set aside for leveraging state funds.

Some of the tools in the proposal that we have before you today -- we've tried to utilize all the tools that you've given us over the past few years. We're using Proposition 14 bonds, we're using pass-through financing, we're using straight-dollar leveraging with our ATD funds, which is what we just talked about, we're using the Texas Mobility Fund bonds, and then hopefully the Alamo RMA toll revenue. And then, as just discussed, we even have the potential for private sector dollars being incorporated into our comprehensive plan that we're looking at.

We also believe that our plan is comprehensive when it comes to benefits. It does not just benefit our community. We believe that it benefits the Texas Department of Transportation.

Several of those benefits -- first, the plan does accelerate construction of our area priority projects, everywhere from three years up to eleven years.

Second, the proposal includes a significant local financial contribution of \$282 million from the future Advanced Transportation District revenue and Category 2 and 7 funds.

Third, the plan does fulfill the commitment that we made to the voters with our Advanced Transportation District, not just the number of projects but the timing of the projects. And I think you'll also see that the plan includes good geographic distribution of our projects.

Fourth, as outlined above, we believe that our proposal fulfills your request for additional matching funds.

And then, finally, we estimate that by accelerating these priority highway projects road user savings will exceed \$1.9 billion and approximately \$200 million will be saved through the avoidance of expected increases in construction costs.

So, not only have we put together this plan, but we also bring you formal endorsements from our community. This plan has endorsements from the Alamo Regional Mobility Authority, Bexar County, Bexar County-San Antonio MPO, the VIA/ATD Board of Directors, the Greater San Antonio Chamber of Commerce, the North San Antonio Chamber of Commerce, the Hispanic Chamber of Commerce, and the San Antonio Mobility Coalition.

So the proposal that we're providing you we hope is innovative. It's creative. It's bringing money to the table. And it comes with full community support. With that, I'm going to ask David Casteel to come forward, who's going to go over some of the details. Thank you.

MR. CASTEEL: Quickly I will. The projects are shown here.

MR. WILLIAMSON: Do you work for TxDOT?

MR. CASTEEL: Yes, sir. My name is David Casteel. I work for TxDOT San Antonio as the district engineer.

MR. HOUGHTON: You're the guy.

MR. WILLIAMSON: You're the guy.

MS. ANDRADE: Mr. Chairman?

MR. CASTEEL: Some days. Sometimes we close lanes to build roads. Yes, sir. Yes, ma'am. The projects shown in red are the three pass-through proposals. And those are -- they're kind of distributed around town, and they're all in some fast-growing areas and some areas to continue our projects that we've had going in the past. They're all part of the MPO's plan.

The projects shown in yellow are -- those at one time in this process were also part of a pass-through proposal. The county was willing to step up and look at all these projects as possible pass-through. But most of those are on the interstate. And, you know, we as staff felt maybe that we should handle those on the interstate.

So instead of making those part of the pass-through we decided that maybe it would be best if we just made a request for those funds. And maybe there might be some way through negotiations we come up with a way to finance all of it somehow innovatively with this -- the big deal is we do have that ATD money available to us to work through some kind of innovative financing process. The county and Senator Madia and some others have been working to make that flexible for some bonding capacities.

And all these projects are good, important projects. I know Senator Madia has commented to you guys before about project 3, which is some safety lighting on the 410 Loop there.

So the projects altogether -- you know, there's about -- like Sam said, there's about \$225 million in local MPO and ATD dollars available. And what we're asking for is for those first part -- you know, probably be around 122 million. That second part -- there's about \$73 million of MPO and ATD funds sitting there that were -- we would use to cover any overruns and to cover the financing. And so we're looking for about \$120 million there.

We've been working on some of these projects all along at TxDOT. And we think that the plans could be ready to let all these projects on the dates that you see there where -- and advance them through if the money were available from the years that we can afford them in the Metropolitan Transportation Plan to the dates you see on the front. And those dates range from, you know, ten years -- up to ten years on that.

So we certainly -- we like working with the county. And Judge Wolff is -- he's a great leader in our area. And he's asked us to do all that we can and be as innovative as we can. And this is one way to do it. And if there's another way to do it I'm sure we'd look at that, too. And Judge Wolff would like to finish up.

JUDGE WOLFF: Well, thank you, Sam and David. And let me say that all of these projects that

we've been working on Commissioner Andrade's been right in the middle of it and also trying to resolve the differences with the RMA. She picked a good time to come into office and get caught in the middle of all this. But she's doing a great job trying to work all these things out. And we appreciate very much the fact that she's representing the great state of Texas on this Commission.

What we ask of you today is to authorize the TxDOT staff, through your executive director, to negotiate a pass-through financing agreement with Bexar County for our Group 2 projects as listed in our proposal.

And, second, we would respectfully request at an appropriate time in the future your consideration and approval of Category 12 discretionary funding for the remaining priority projects in our proposal. We've been advised by TxDOT staff that most of those remaining projects are not eligible, as David said, for the pass-through financing as they're located on the interstate highway system.

Again, we thank you very much for your consideration, and, hopefully, you'll be able to support us in this effort. Thank you.

MR. WILLIAMSON: And I notice that you started using the term "pass-through financing."

JUDGE WOLFF: Is that what I said? Did I use the wrong thing?

MR. WILLIAMSON: I'm just curious. I just noticed it.

JUDGE WOLFF: Instead of tolls?

MR. WILLIAMSON: Is there a Tom Ellis here?

MR. ELLIS: Mr. Chairman, members of the Commission, Mike Behrens. My name is Tom Ellis. I represent the Greater San Antonio Chamber of Commerce and am presently the chairman for the Transportation Committee.

The Chamber has worked closely with SAMCo, TxDOT, and Bexar County in reviewing the pass-through financing projects and are very supportive and commend their efforts in developing this plan.

Our community is a big believer in investing in ourselves, as stated earlier by Judge Wolff and Sam Dawson. We have established an Advanced Transportation District voted by our citizens in November of 2004 and the creation of the Alamo RMA, just to name a few. Our community is united in this proposal.

Lastly, I would like to commend our district engineer, David Casteel, for his vision and leadership, and not only this pass-through financing plan, but his urgency to get projects completed. Acceleration is his middle name. He's done a great job. Thank you, Dave, and your staff for all that you do for San Antonio. Thanks.

MR. WILLIAMSON: We've heard from several witnesses, members. All of them are subject to coming back up if you have questions or comments for any of the four.

MR. HOUGHTON: Ready to go.

MR. WILLIAMSON: Man, you did get off easy. Easy. Okay. Well, members, we have the staff's explanation and the staff's recommendation. What's your pleased:

MS. ANDRADE: So moved.

MR. HOUGHTON: Second.

MR. WILLIAMSON: Commissioner Andrade moved and Commissioner Houghton seconded

the motion. All those in favor of the motion will signify by saying aye.

(A chorus of ayes.)

MR. WILLIAMSON: All opposed no.

(No response.)

MR. WILLIAMSON: Motion carries. It's a big one.

MS. ANDRADE: Mr. Chairman? Judge, thank you so much for driving to Austin. I know that you might have gotten stuck this morning a little bit.

JUDGE WOLFF: Did you get caught?

MS. ANDRADE: No, I came in last night. But I also got delayed.

JUDGE WOLFF: Good reason for S.H. 130.

MR. WILLIAMSON: And we do thank you for taking the time to be with us all morning long. I know --

MS. ANDRADE: Thank you.

MR. WILLIAMSON: -- Tom made a valiant effort to get the schedule changed, but it wouldn't work this time. Thank you very much.

MS. ANDRADE: Thank you. Be safe.

MR. BEHRENS: We go to agenda item 9(b), which is another pass-through toll agreement -- or the authorization to negotiate for an agreement with Grayson County.

MR. BASS: Yes. Agenda item 9(b), as Mr. Behrens stated, is another example of the first step in the pass-through process, this one for Grayson County.

And, again, this would merely allow the department to begin negotiations with Grayson County. And if we are able to come to agreeable terms we'll bring those back to the Commission for final approval at a later date.

In this case the county submitted a pass-through toll proposal providing for a nearly 12-mile extension of State Highway 289. In their proposal the county listed that the project is at the cost of \$63 million, a portion of which would be repaid over time based upon actual traffic on the project.

The exact mix of that total cost -- how much would be contributed by the county and/or how much would be eventually repaid by pass-through tolls is one of the many things that we would work through in our negotiations with the county.

Having said that, staff would recommend your approval so we may begin negotiations.

MR. WILLIAMSON: I want to make sure I understand this, James. We previously authorized staff to negotiate with the RMA. And now the law's changed, which permits county governments to do some things that the RMAs previously could do.

MR. BASS: Correct. And so the county commissioners -- it's their opinion that they will be better served by having the county be the applicant -- or proposer of the project. So another thing this minute order would do is rescind an earlier minute order that allowed us to enter into negotiations with the RMA. It would rescind that minute order and we would now be allowed to have -- begin negotiations with the county.

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The Hon. Will Wynn, Mayor of the City of Austin

The Hon. Judy Hawley, Port of Corpus Christi Commissioner

**4th Annual San Antonio Regional Transportation Leadership Forum
Wednesday, September 7 & Thursday, September 8, 2005**

Wed, September 7	Time	Topic
	5:30 PM	Cocktail Reception
	7:00 PM	Dinner, followed by the Keynote Address
		The Hon. Rick Perry, State of Texas Governor (Invited)
Thurs, September 8	Time	Topic
	8:30 AM	Welcome
	8:45 AM	Opening Session
		Funding of Highways - Crisis and Solutions David Laney, AMTRAK Chairman
	9:45 AM	General Session
		Economic Impact of (a lack of) Transportation Scott Anderson, Wells Fargo Economic Group Senior Economist
	10:45 AM	Breakout Session #1: Transportation Funding Tool Box
		Federal Funding Bill Update State Legislation and its effects on Transportation Funding Public/Private Partnerships
	10:45 AM	Breakout Session #2: Rail Public/Private Partnerships
		Private Perspective - Negotiating a successful Rail Public/Private Partnership Public Perspective - Negotiating a successful Rail Public/Private Partnership
	10:45 AM	Breakout Session #3: Regional Planning and Public Transportation
		Why do we need a regional transportation plan? Case Studies on what is working in other States Regional Planning's Impact at the local level
	12:00 Noon	Keynote Address Luncheon
		Jim Young, Union Pacific Railroad President & CEO
	1:30 PM	Breakout Session #4: Regional Corridor Advocacy
Manufacturing		Manufacturing in Texas Overview Port Perspective Manufacturing and Transportation
Military		Texas Military Overview Gulf Coast Strategic Highways Strategic Military Port Status
NAFTA		Texas Trade Overview I-69 Alliance Texas Border Infrastructure Coalition
Trans-Texas Corridor		Network of Infrastructure
	1:30 PM	Breakout Session #5: Rail Issues
Economic Importance of Freight Rail		National Importance of Freight Rail - Political Importance of Freight Rail Freight Rail in South Texas
Local Impact of Rail		Commuter Rail
Importance of Local Rail Infrastructure Planning		Local Public Entity Responses Businesses affected by Commuter Rail - Local Shippers

1:30 PM	Breakout Session #6: Innovative Financing Mechanisms
State	New Financing Tools for TxDOT State Infrastructure Bank
Regional	Central Texas Regional Mobility Authority Alamo Regional Mobility Authority Cameron County Regional Mobility Authority
Local	Local Option Sales Tax
Private: Comprehensive Development Agreements	State's Authorization for Comprehensive Development Agreements What makes a project profitable for a private investor?
3:40 PM	Breakout Session #7: Federal Funding Issues
	TIFIA Legislation Federal Funding Update
3:40 PM	Breakout Session #8: Planning for the Future - Connecting Land Use and Transportation
	Envision Central Texas City South
3:40 PM	Breakout Session #9: San Antonio Fast Forward
	MPO 2030 Vision & Plan/Status of ATD Funding and Allocation Users, Advocates, and Community Developer/Developer's Responsibilities Transportation Impact on Local Businesses
4:45 PM	Concluding Remarks

Tom Griebel

From: "Tom Griebel" <tgriebel@alamorma.org>
To: "M.Cristina Rodriguez" <MCRnurse@aol.com>; "Bill Thornton" <mayorsat@swbell.net>; "Bob Thompson" <rst@t2law.com>; "Gen. Wm. McBride" <williamvmcbride@satx.rr.com>; "Henry R. Munoz, III" <Munoz@kellmunoz.com>; "Jim Reed" <jimreed@swbell.net>; "Jim Reed (HM)" <jimreed@swbell.net>; "Rey Diaz" <rey@texas-injury.com>
Cc: "Cassidy, C. Brian" <bcassidy@lockeliddell.com>; "David Casteel" <DCASTEEL@dot.state.tx.us>; "Emily" <emily@kellmunoz.com>; "Jama Lopez" <jamalopez@hotmail.com>; "Jim Griffin" <jwg-txtpks@sbcglobal.net>; "Seth Mitchell" <sethm@bexar.org>; "Pat Irwin" <pirwin@alamorma.org>
Sent: Monday, August 08, 2005 5:03 PM
Subject: Transfer Projects to the RMA

AlamoRMA Board:

TxDOT SA District has discussed the transfer of the IH 35 (Loop 1604 to IH 37/CBD), SH 16 (Loop 1604 to IH 410) and Wurzbach Parkway Interchange (West Ave. to Jones Maltsberger) projects to the RMA by January 1, 2006 (or as soon as the details are worked out). I anticipate a three party agreement (RMA-MPO-TxDOT) outline the development process and the funding, both the development cost and the construction funding that will be needed beyond toll revenue bonds. Transferring the projects, along with development funds, to the RMA would put us in the decision-making role to develop the projects either through the design-bid-build (DBB) process or through a CDA, design/build or through a franchise/concession agreement.

The concept would be to conduct an initial assessment of funding necessary and the amount of effort required for the RMA to take over the development of the projects. Preliminary staff discussion suggest that we would request three (one for each project) toll equity requests totaling \$1 million accomplish the transfer assessment (staff and consultants) and seek additional funding to continue the environmental review process and development of the roadway schematics. A decision would be made later concerning funding for Right of Way acquisitions, utility adjustments and detail design (depending on the Board decision to seek a CDA or develop the project as a DBB).

I have requested that David Casteel submit a letter to Chairman Thornton outlining the concept. If the Board agrees in principle to the concept, I suggest that the Planning Committee review the concept and that we subsequently hold a Board Workshop (Special Meeting) later this month to discuss the details of the concept.

Thomas A. "Tom" Griebel
Executive Director
Alamo Regional Mobility Authority
143 Billy Mitchell Blvd. Suite 6
San Antonio, TX 78226
210-362-7831
210-362-7807 FAX

Luke C. Fisher, Jr.

From: "Luke C. Fisher, Jr." <LFisher@satx.rr.com>
To: "Luke C. Fisher, Jr." <LFisher@satx.rr.com>
Sent: Wednesday, July 20, 2005 7:13 PM
Subject: Memorandum for Record---Construction of Toll Road Overpasses on US 281

Memorandum for Record:

This memo summarizes key points of telephone conversations on the morning of 18 July 2005, of the undersigned, with a Mr. Jessie Hays (210-615-1110) and a Mr. Barlyn West (210-615-5840), both of the San Antonio Office of the Texas Department of Transportation. The subject of conversations was the potential noise impact of a planned toll road extending from the US 281 and Loop 1604 interchange, North on 281 to the Stone Oak Parkway and US 281 intersection. The specific point addressed, concerned questioning what provisions have been made by the Texas Department of Transportation for noise abatement for possible elevated highway overpasses in the vicinity of the Sitterle Homes development (Big Springs) on the East side of US 281, in the vicinity of the Evans Road intersection.

- Discussion with Mr. Hayes indicated that absolutely no noise abatement had been planned for, nor would be constructed, for raised tollway sections in the North-South elements of the highway planned to closely abut the homes built in the Big Springs sub-development of Village on the Glen. He stated that when Mr. Sitterle platted this land for residential development that representatives of the Texas Department of Transportation (TexDOT) advised him of future plans for expansion of US 281 in this area and suggested that he might want to reserve highway adjacent areas on the land for future commercial development versus residential uses. He stated that accordingly "noise mitigation notes" had been attached to approved platting which made the responsibility for any future noise abatement measures totally the responsibility of the developer or the owner(s). In response, I asked him where could these documented data, proving that noise mitigation exception by TexDOT could be found. He responded that it could be researched in the deed recording section of the Bexar County land data

records, located at the County Courthouse. I believe, if I understood him correctly, that there were two noise mitigation notes cited, as relating to the Big Springs development area.

- When I questioned Mr. Hayes further on this issue of TexDOT having no responsibility for noise impact on existing homes caused by raising the highway at key intersections, he referred me to Mr. West as the District Environmental Manager. Before concluding the conversation I ask him where these raised highway overpasses would be located; how long each elevated section would be; how high above the existing surface streets/roads they would be constructed and when construction would begin. In response he indicated: that three elevated sections would be constructed (one at Red Land Road, one at Evans Road, and one at Stone Oak Parkway) at intersections with the US 281 Tollway; that raised sections would be a minimum of 23 feet clearance above the other surface streets; that the high speed toll sections would begin to elevate approximately 1,200 to 1,500 feet on each side (North and South) of these existing intersections; and that construction contracts would be let between now and the end of the year with toll road construction beginning in early 2006.
- I thanked Mr. Hayes for the above information and proceeded to next call Mr. West.
- Mr. West confirmed most of Mr. Hayes had indicated with respect to acquiring data on the noise impact of the planned toll road construction and operation on the Village on the Glen subdivision. Specifically he indicated that to receive the "noise analysis" data that I would need to submit a written Open Records Request pinpointing the locals I was interested in. He stated that such request should be directed to TexDOT, 4615 NW Loop 410, San Antonio, TX 78229, Attn: Mr. David Bullerwell. I further inquired if such request could be submitted by e-mail to his office. He said that he thought so, but that had not been done before. He then gave me e-mail address to use as dbuller@dot.state.tx.us.
- I also asked Mr. Hayes if someone employed in his office had done the study which confirmed and documented there were no noise impacts on the surrounding housing communities adjacent to the planned toll road

elevated sections. Discussion further disclosed this study reaching that finding had been done by a contract consultant. When I ask for the name of that contractor, he advised me that I would have to request that in the Open Records Request if they were to disclose that fact.

- I thanked Mr. Hayes for the information and temporarily concluded the TexDOT telephone inquiry on the matter.

Luke C. Fisher, Jr.
20614 Wind Springs
San Antonio, Texas 78258
phone: 210-496-3053
fax: 210-496-2915
cell: 210-365-3080
e-mail: LFisher@satx.rr.com
20 July 2005

MSGTAG has notified the sender that you have read this message. Have a nice day!

Benefits of the AlamoRMA Toll Road "Starter System"

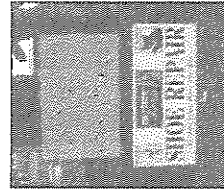
Bill Barker, AICP

AlamoRMA Board
August 10, 2005

The Issue

- A June 28 joint report by the MPO, TxDOT, and the Alamo RMA claimed that building a toll road here – no matter how expensive it will be or how high the tolls – would result in benefits 4 to 6 times the cost in "... productivity and other factors in the economy..."
- The report gave neither explanations nor references on how increasing the cost of transportation through tolls would be good for our economy.
- It is clearly possible to have the cost of a highway outweigh the benefits.
- What is the justification of this project?

Increasing Transportation Costs Is Bad for the Economy

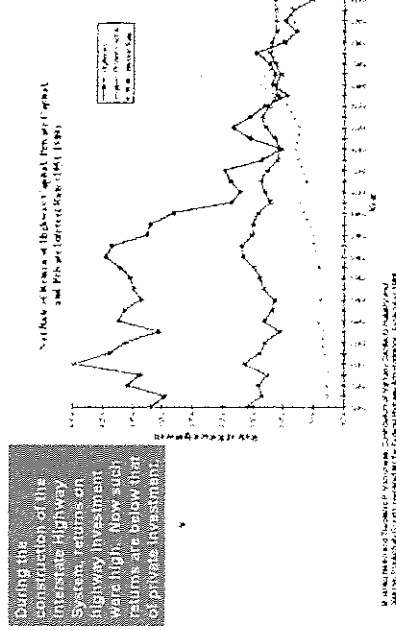


- Federal Reserve Chairman Alan Greenspan:

"... higher oil prices have cut economic growth by three-fourths of a percentage point this year."

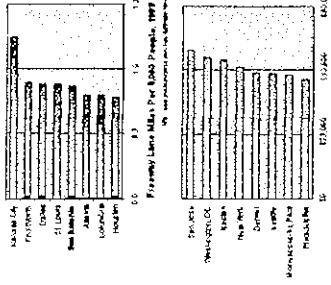
Associated Press. "Greenspan: Oil prices taking toll on economy." Daily Herald posted Tuesday, July 19, 2005

Trend in Highway Economic Return



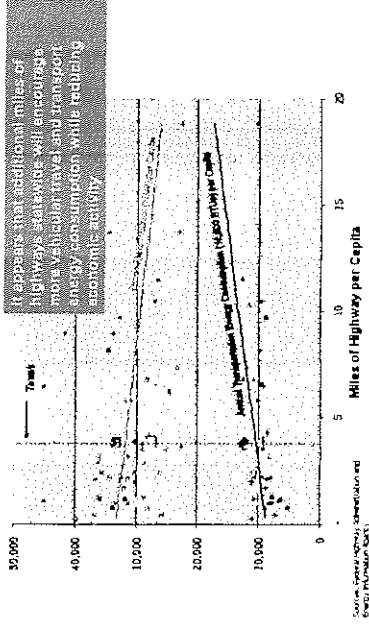
Highways and Labor Productivity

- Four of the eight large U.S. cities with the most lane miles of highway per person are in Texas
- None of the eight large U.S. cities with the highest income per capita are in Texas
- "...all Texas cities rank below the national average on labor productivity."³⁵



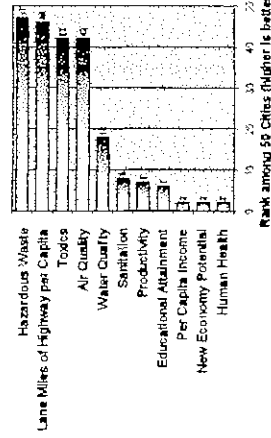
Federal Reserve Bank of Dallas
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 Dallas, Texas

Transport, Energy and Economic Trends among States, 2000



San Antonio Situation

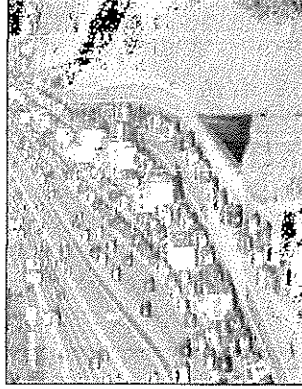
Of the 50 largest cities in the U.S., San Antonio ranks: *150 is best, 1 is worst*



If more highways was all that was needed to increase productivity, then San Antonio would be more prosperous!

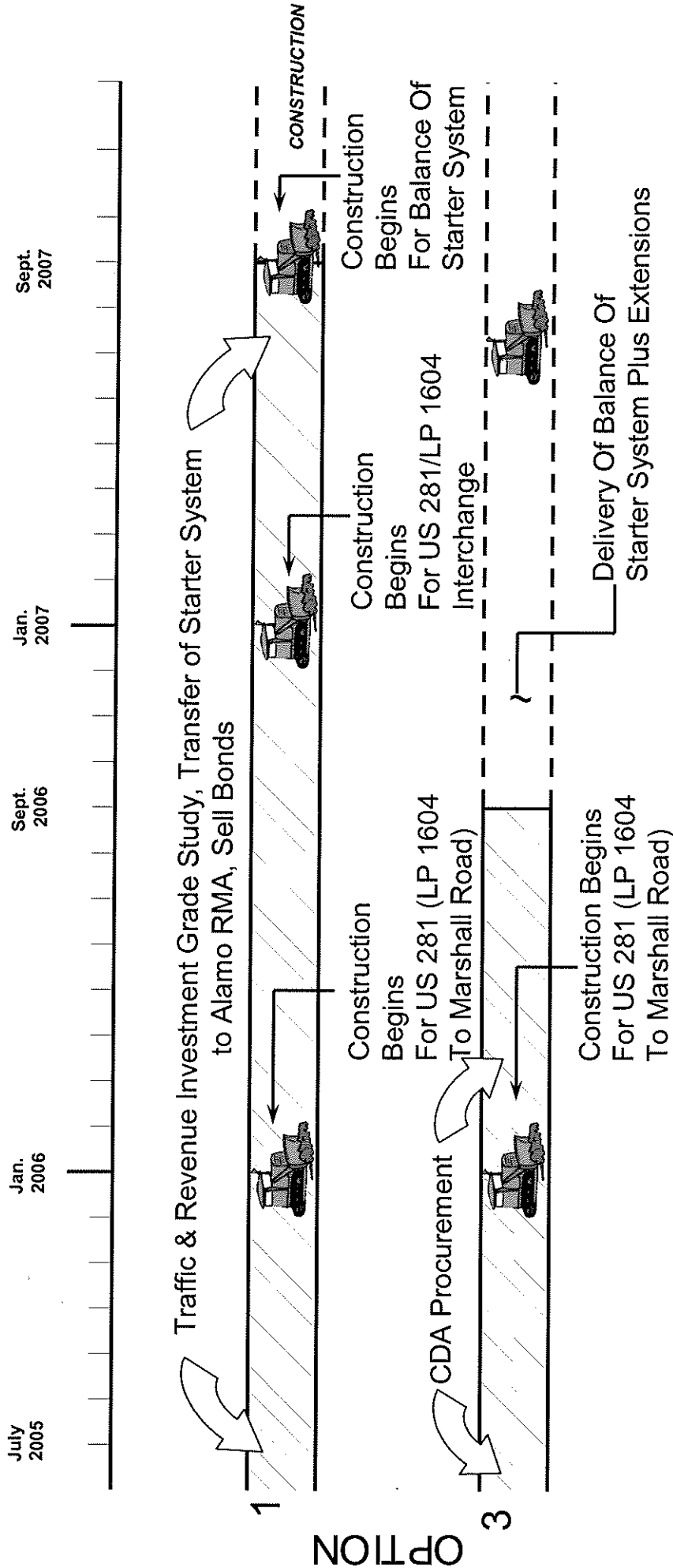
Travel Time Savings?

- How much travel time will be lost during construction?
- How much travel time will be lost by those not paying tolls?
- How much travel time will be saved by those paying tolls?



Typical Afternoon Peak on the Private SR 91 Toll Road in Orange County, CA

OPTIONS & CHOICES IMPLEMENTATION TIMELINE

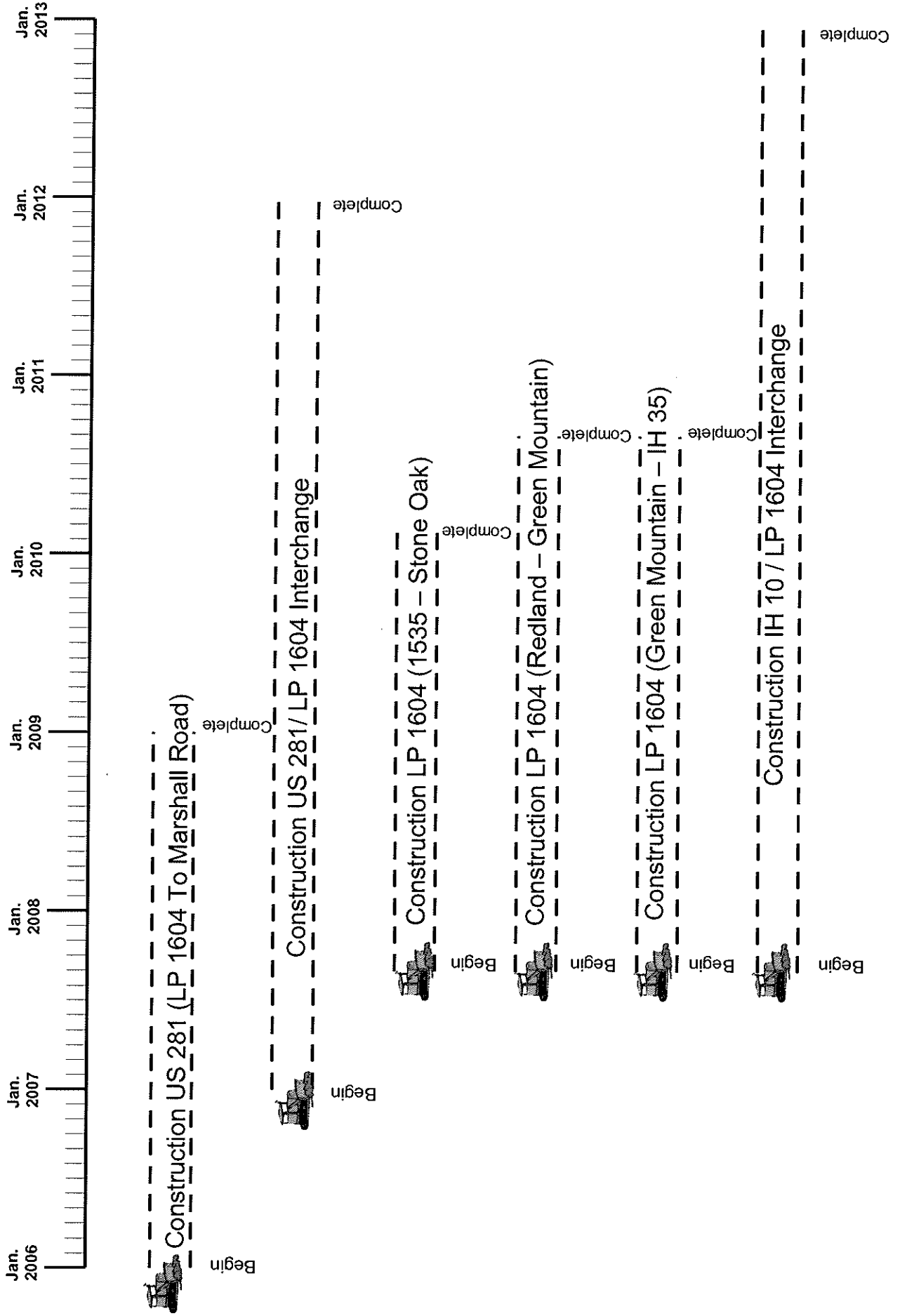


Critical Path Activity

- NOTE:**
- Other TxDOT Activities On-Going Include:
 - *Environmental & Public Involvement Work For Starter System And Extensions
 - *ROW Acquisition For Starter System
 - *PS & E For Starter System
 - *Utility Relocation For US 281 From Loop 1604 To Marshall Road

Reference: Options and Choices For Mobility Report, 2005

OPTION 1 STARTER SYSTEM CONSTRUCTION TIMELINE



SAVE THE DATE

The San Antonio Mobility Coalition is proud to host the 4th Annual San Antonio Regional Leadership Forum on September 7-8, 2005 with our Title Sponsor Union Pacific Railroad. Please visit our newly designed Forum website

www.santransportationforum.com

Join leaders with an interest in transportation as we discuss and share information regarding:

- The Highway funding crises and the solutions in meeting those challenges
- Freight rail and its role in our community
- Transportation: An Economic Development Catalyst?
- The effect of international trade on Texas's infrastructure and more...

Please forward this email to others with an interest in transportation. We hope you make plans to attend this important event in San Antonio at the Henry B. Gonzalez Convention Center along the world famous RiverWalk.

If you would like to inquire about sponsorship opportunities, please email gmorse@santamobilitycoalition.org

FOURTH ANNUAL SAN ANTONIO REGIONAL

TRANSPORTATION LEADERSHIP FORUM

A PROGRAM OF THE SAN ANTONIO MOBILITY COALITION

Keynote Address to be delivered by:

Mr. Jim Young, Union Pacific Railroad President & CEO
Hosted by SAMCo Chairman and Bexar County Judge Nelson Wolff

A few of our speakers include...

The Hon. Rick Perry, State of Texas Governor (invited)
Mr. Ric Williamson, Texas Transportation Commission Chairman

Mr. David Laney, AMTRAK Chairman

The Hon. Robert Eckels, Harris County Judge

The Hon. Will Wynn, Mayor of the City of Austin

The Hon. Judy Hawley, Port of Corpus Christi Commissioner

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