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, July 13, 2005
12:00 PM

1) Call meeting to order.

2) Approval of AlamoRMA Special Board of Directors June 8, 2005 and Board of Directors June 8, 2005 Meeting Minutes.

3) Citizens' Communications (citizens must sign the register to speak).

4) Briefing on the development of the Starter System and the Extensions on Loop 1604 and US 281. (TxDOT).

5) Briefing on Joint Working Committee Interim Report – Options and Choices for Mobility (AlamoRMA)

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. (Tom Griebel)

7) Discussion and appropriate action on the financial statements for the period ending June 30, 2005. (Jama Lopez)

8) Presentation/briefing on AlamoRMA organization start-up progress. (Tom Griebel)

9) 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 MOBIITY 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: July 8, 2005 5:00 p.m.

AMAMO REGIONAL MOBILITY AUTHORITY

Board Meeting, June 8, 2005, 12:30 p.m., in the Greater Kelly Development Authority Board 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 1:12 p.m. All members were in attendance.

2. **Approval of AlamoRMA Special Board of Directors May 9, 2005 and Board of Directors May 11, 2005 Meeting Minutes.** Chairman Thornton called for a motion to accept the minutes of the previous meetings. *W. McBride made the motion to accept the minutes of the May 9 Special Board Meeting and the May 11Board Meeting with the following corrections (changing "Special Board Meeting May 11, 2005, 1:30 p.m." to " Board Meeting May 11, 2005, Noon...").* *R. Thompson seconded. Motion passed.*

3. **Citizens' Communications.** No citizens were signed to speak.

4. **Briefing and appropriate action on the development of the Starter System.** The briefing was made by D. Casteel, TxDOT District Engineer. He presented power point presentations on the draft of "Analysis: Options and Choices for Mobility" and the "RMA – TxDOT – MPO Joint Committee Briefing." He reviewed numerous charts and tables. He explained data as it related to the various tasks, options, available tax dollars, cost overruns, etc. He also reviewed the possibility of TxDOT accepting the CDA unsolicited proposal and options available to the RMA should the CDA concession agreement. He closed his presentation by saying TxDOT, MPO, and RMA will continue working on the Starter System and explore future options.

5. **Briefing and discussion on the Phase I – Public Involvement Initiative.** P. Irwin, AlamoRMA Director of Engineering and Operations, and K. Morris, Taylor/West consultant, briefed the board on Phase I of the Public Involvement Initiative. He said meetings have been held with HNTB and their primary sub-consultant for public information, Taylor/West, to develop the overall goal of public information and how it will be phased into the RMA plan. K. Morris said this phase will primarily involve interviewing appointed board members of the RMA, MPO, and SAMCo to develop a survey instrument to be used in surveying a selected segment of our community. Phase I will incorporate information already available at TxDOT from surveys used in other road projects. The survey instrument will be reviewed and critiqued by the RMA Planning Committee prior to implementation by the consultants.

6. **Discussion and appropriate action on authorizing the Executive Director to execute a $13 million Toll Equity Financial Assistance Agreement with TxDOT.** T. Griebel briefed the board on TxDOT Minute Order No. 110086 presented at the last TxDOT Commission meeting in Austin granting the $13 million Toll Equity Grant. He is requesting the board pass a motion authorizing the Executive Director to enter into a financial assistance agreement to negotiate and execute the agreement in order to receive the grant. The process includes updating the TIP and STIP and will require approval by the MPO and TxDOT. The Toll Equity Grant should be available in September 2005.

Chairman Thornton called for a motion to bring this item before the board. *W. McBride made the motion to authorize the Executive Director to execute a $13 million Toll Equity Financial Assistance Agreement with TxDOT. R. Thompson seconded.*

In discussion, board members expressed concern about receiving and expending monies given the present status of the Starter System and the western extension. T. Griebel explained the plans would require monies to be utilized regardless of who builds the Starter System. If the recipient of the contract is someone other than the RMA, reimbursements can be negotiated. *Motion passed.*

7. **Discussion and appropriate action on the financial statements for the period ending May 31, 2005.** J. Lopez presented the Balance Sheet; Statement of Revenues, Expenses and Changes in Fund Deficit; and the Statement of Cash Flow for the period ending May 31, 2005. *J. Reed made the motion to accept the financial statements for the period ending May 31, 2005, as presented. M.C. Rodriguez seconded.* In discussion, R. Thompson requested a further breakdown of expenses for the "Professional Services" line item in future reports. *Motion passed.*

8. **Briefing and discussion on Legislative Issues.** B. Cassidy briefed the board on the legislative agenda. He highlighted some of the more important issues such as "term limits" and "disclosure of conflicts of interest."

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

10. **Executive Session.**

* * * *

The Alamo Regional Mobility Authority did not meet in Executive Session

* * * *

There being no further business to come before the board, Chairman Thornton adjourned the meeting at 3:20 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 June 8, 2005.

ATTEST: _____
M. CRISTINA RODRIGUEZ
SECRETARY/TREASURER

TOLL STARTER SYSTEM PROJECT DEVELOPMENT UPDATE

	IH t0/LOOP 1604	LOOP 1604	US 281/LOOP 1604	LOOP 1604	LOOP 1604	US 28 t
TASK						
Environmental	New document	Re-evaluation	New Document	Re-evaluation	Re-evaluation	Re-evaluation
Expected completion:	September-05	September-05	May-05	September-05	September-05	May-05
	Public Hearing August 05	Public Hearing August 05	Clearance Received	Public Hearing August 05	Public Hearing August 05	Clearance received
Right of Way Acquisition	None expected	None	16 parcels	None	None	17 of 18 parcels acquired
Expected completion:			Aug-06			September-05
			Making offers			
Consultant:	RTG/Hall Zollars (Evergreen)	LAN (Evergreen)	HDR (Project Specific)	CP&Y (Evergreen)	TCB (Evergreen)	TCB (Project Specific)
Design Status	Schematic submitted for review	60% - June 05	90% - July 05	90% - August 05	60% - June 05	Backlogged in Austin
Expected completion:	December-05	November-05	November-05	November-05	November-05	COMPLETE
	60% - July-05					
Turnpike Designation:	Oct-05	Oct-05	Jun-05	Oct-05	Oct-05	Jun-05
Letting Date:	June-06	February-06	August-06	February-06	February-06	September-05
Construction Start Date:	August-06	April-06	October-06	April-06	April-06	November-05
Completion Date:	November-09	July-09	March-11	July-09	July-09	October-09
Begin Toll Collection	Loop 1604 August-09	July-09	Loop 1604 July-09	July-09	July-09	October-09
	Connectors November-09		Connectors March-11			
Estimated Cost*:	$157 million	$70 million	$186 million	$68 million	$40 million	$79 million

*Does not include toll collection systems or ITS.

TOLL STARTER SYSTEM PROJECT DEVELOPMENT UPDATE

	IH 10/LOOP 1604	LOOP 1604	US 281/LOOP 1604	LOOP 1604	LOOP 1604	US 281
TASK						
Environmental	New document	Re-evaluation	New Document	Re-evaluation	Re-evaluation	Re-evaluation
Expected completion:	September-05	September-05	May-05	September-05	September-05	May-05
	Public Hearing August 05	Public Hearing August 05	Clearance Received	Public Hearing August 05	Public Hearing August 05	Clearance received
Right of Way Acquisition	None expected	None	16 parcels	None	None	17 of 18 parcels acquired
Expected completion:			Aug-06			September-05
			Making offers			
Consultant:	RTG/Huitt Zollars (Evergreens)	LAN (Evergreen)	HDR (Project Specific)	CP&Y (Evergreen)	TCB (Evergreen)	TCB (Project Specific)
Design Status	Schematic submitted for review	60% - June 05	90% - July 05	90% - August 05	60% - June 05	Backlogged in Austin
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Turnpike Designation:	Oct-05	Oct-05	Jun-05	Oct-05	Oct-05	Jun-05
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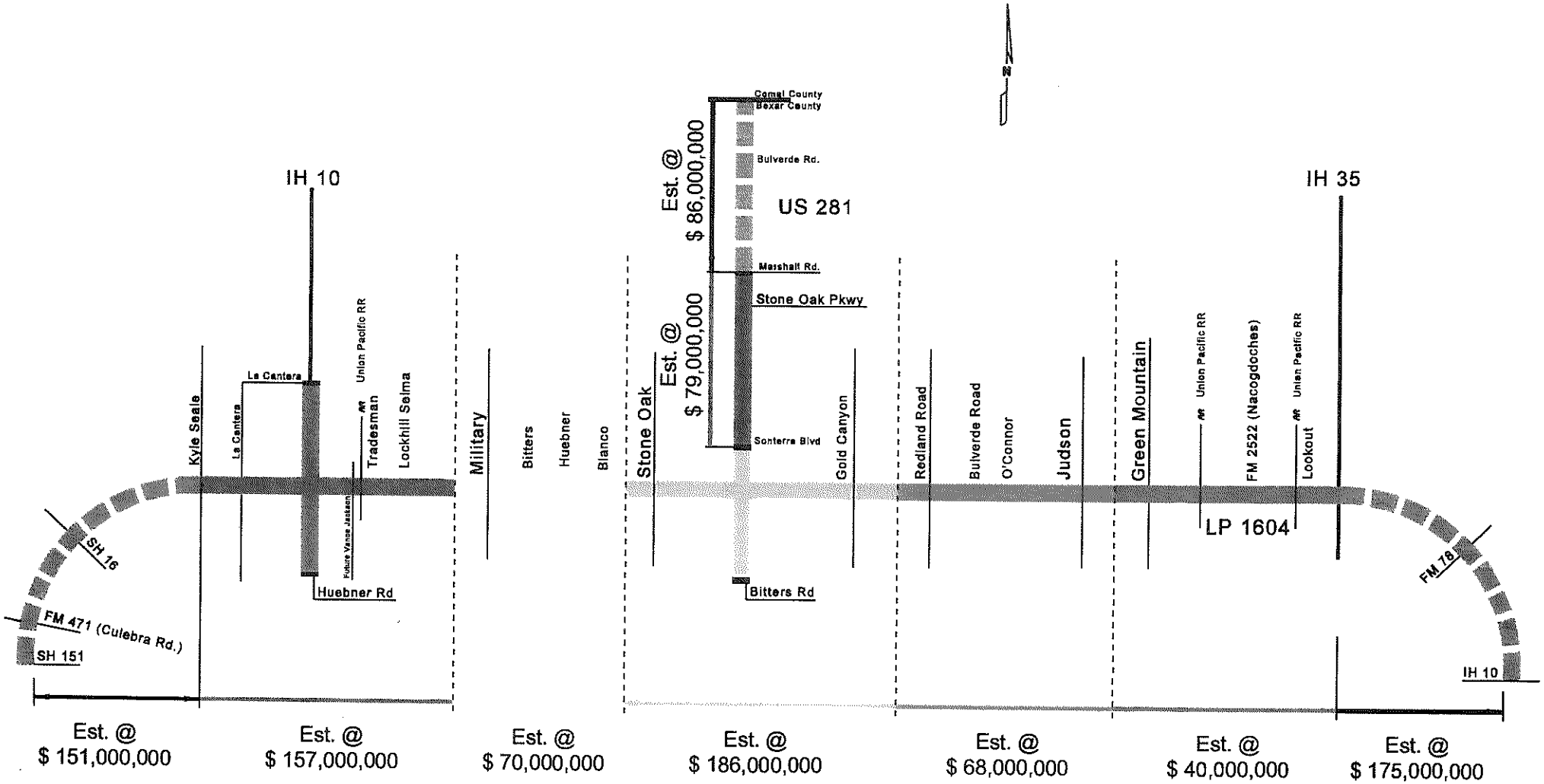
Begin Toll Collection	Loop 1604 August-09	July-09	Loop 1604 July-09	July-09	July-09	October-09
	Connectors November-09		Connectors March-11			
Estimated Cost*:	$157 million	$70 million	$186 million	$68 million	$40 million	$79 million

*Does not include toll collection systems or ITS.



TOLL "STARTER SYSTEM" Mileage: LP 1604 (18.79) + US 281 (3.92) = 22.71 Miles ~ Total $ 600 Million *

Extensions Mileage: LP 1604 (18.81) + US 281 (5.40) = 24.21 Miles ~ Total $ 412 Million*

* Does not include cost of ITS or Toll Collection System

TxDOT, AlamoRMA, MPO
Partnerships for Mobility
June 22, 2005

Dear Transportation Partner:

Please find attached an interim report of the joint working committee entitled: Options and Choices for Mobility. This report documents analyses of delivery options for toll lane systems in Bexar County. In particular, this report compares the design-bid-build (D-B-B) procurement option to an alternative concession comprehensive development agreement (CDA) option. The entities recognize that analysis will continue and could result in further refinement.

As you may recall, a private sector consortium submitted an unsolicited proposal to the Texas Department of Transportation, TxDOT, in April of this year to construct, maintain, operate and finance toll lanes on Loop 1604 from near SH 151 (near SeaWorld) to IH 10 East (heading to Seguin) and on US 281 from Loop1604 to near Borgfeld Rd. The facility limits proposed in this submission are consistent with the toll lane plan identified by the Alamo Regional Mobility Authority (AlamoRMA) and planned for funding in the Metropolitan Transportation Plan (MTP) developed at the San Antonio Bexar County Metropolitan Planning Organization (MPO).

The unsolicited CDA proposal offers to construct the projects with no tax dollars in exchange for a revenue concession. The MTP for 2005 - 2030 includes approximately $600 million in tax dollars identified for the construction of the projects over the next 25 years. Under a CDA concept, these tax dollars could be reinvested and used as leverage for other corridor mobility projects. The CDA also offers to construct the projects sooner than identified in the MTP.

The staffs of TxDOT, AlamoRMA and MPO along with other transportation experts and consultants have met on several occasions during the past two months examining the two project delivery options, D-B-B and CDA, for the planned toll lanes. The attached report summarized this effort.

TxDOT, AlamoRMA and the MPO are very grateful for Jim Reed, AlamoRMA Board Member and Planning Committee Chairman, and the staffs of the City of San Antonio and Bexar County for their participation in this analysis. As members of the MPO Policy Board, Tom Weadorf and Les Locke have spent many hours with TxDOT, the AlamoRMA Planning Committee and MPO staffs and consultants on this effort.

Should you have any questions, please call upon any of the undersigned.

Sincerely,

David Casteel, P.E.
TxDOT
District Engineer
210-615-5803

Joanne Watsh
MPO
Executive Director
210-227-8651

Tom Griebel
AlamoRMA
Executive Director
210-362-7831

Texas Department of Transportation Commission Meeting Transcript

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

Thursday, March 31, 2005

COMMISSION MEMBERS:

RIC WILLIAMSON, CHAIRMAN
JOHN W. JOHNSON
ROBERT L. NICHOLS
HOPE ANDRADE
TED HOUGHTON, JR.

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

PROCEEDINGS ON AGENDA ITEM # 9

9. **Regional Mobility Authority**
Bexar County - Consider the preliminary approval of a request for financing from the Alamo Regional Mobility Authority to pay for certain costs necessary to study and develop the proposed Loop 1604 Western Extension turnpike project and other potential elements of a proposed toll system in Bexar County (MO)

and brightest people from the districts and the divisions that have been involved in the construction consultant management areas.

And we're trying to draw from some of the best practices that are out there, and also looking and focusing on the three goals that you all gave us last time, and trying to come up with a way to work within our existing process to try to incorporate the innovation, to try to promote the use of more consultants, to try to promote the use of more HUBs.

So we're working on that and we should have something within a month to a month and a half on that.

MR. WILLIAMSON: We want innovative ideas, we want to drive down the cost, we want to drive completion time shorter. Those are things we want to do.

Thank you very much. You have all worked hard to do this.

The chair would prefer, members, if there's no objection, to change the order of the agenda a bit.

Tom Griebel has made me aware that he's about to faint if we don't go ahead and do San Antonio. No, he didn't say that.

(General laughter.)

MR. WILLIAMSON: Most of our agenda, other than items 9, 10 and 11, involve our internal workings, so if you don't object, I think we'll take items 9, 10 and 11, Mike.

MR. BEHRENS: Yes, sir, we can do that.

We'll move them to agenda item number 9 which is concerning our Regional Mobility Authority in Bexar County. And I'll ask Phil Russell to come up and present that minute order.

MR. RUSSELL: Thanks, Mike. Good afternoon, commissioners.

Commissioners, earlier this year we received a toll equity request or application, I guess, from the Alamo Regional Mobility Authority. That request was for $20 million for the development of their project, the western extension of 1604 and elements of the starter system down in San Antonio.

It was really broken down into about three components: one being a $5 million early purchase right of way acquisition request; $2 million to conduct traffic and revenue analysis and studies in the area; and $13 million for the development of that western extension of 1604.

We've worked very closely with the district and with Tom Griebel down with the RMA, and through that discussion we've decided to go ahead and defer for right now the $5 million portion for that right of way acquisition element. We are handling the traffic and revenue request but we're doing those through our normal TxDOT division contracts.

And so that will leave $13 million which is the body of this minute order which we'll be bringing to you today. That $13 million, again, is for the development of that western extension of 1604.

As you know, this is a two-step process, this is the preliminary vote that you all would be making today, and staff would recommend approval and be happy to address any questions you might have.

MR. WILLIAMSON: I am compelled to ask this question but I don't wish to throw this on a slow-burning fire, so I hope I'm not mistreated.

We have three cash matters coming up and I'm compelled to ask the question to what extent -- if the answer is none, I want the answer to be none -- to what extent are the current

reconsiderations across the street of the Mobility Fund likely to affect our ability to handle this particular minute order.

MR. RUSSELL: Chairman, I don't know if I'm the correct person to answer that. It would come out of the Category 2 MPO funding.

MR. BEHRENS: If I could answer that, Chairman. I think that we will be looking at all expenditures of cash if we are not being able to move forward with bringing in some money from the Mobility Fund.

MR. WILLIAMSON: You know, the Alamo RMA has been one of our more aggressive and active partners, and I don't want to approve a minute order that we can't pay for. So that's the only reason I asked the question.

If I understand you, everything gets looked at but it appears this one is okay?

MR. BEHRENS: This minute order would give us the authority to go through the procedures with them, and then before we would actually lay out the cash, it would come back to you.

MR. WILLIAMSON: Very good. That makes me feel much better.

And we have two persons who wish to comment. Members, do you want to go ahead and ask questions of Phil before I bring them up?

MR. NICHOLS: No. I'll wait till they comment.

MR. WILLIAMSON: Okay, little Tommy Griebel, late of TxDOT.

MR. GRIEBEL: I would prefer that you call the chairman.

MR. WILLIAMSON: Well, that's nice of you. We like it that way, don't we, Billy. Old Abilene boys, we like to be deferred to.

DR. THORNTON: Yes, sir.

MR. WILLIAMSON: Should we tell them about the department store?

DR. THORNTON: Well, you sent me to college if you bought things there, and I appreciate it. It was very helpful to my family.

He's talking about Abilene when my dad had a mercantile business and the Williamson family were buyers of things.

MR. JOHNSON: We bought those shoes once a year whether our feet grew or not.

DR. THORNTON: Let me tell you how successful my family was. We had three automobile dealerships: we had a Packard, Studebaker and De Soto. Not at once; we did it sequentially so we could go through the death process three times.

(General laughter.)

DR. THORNTON: I heard Mr. Russell and I've been where you are and I know where I am, and if you hear staff recommendation for something you're asking for, the last thing you came to do was hear me talk more, so I'm not going to do that.

I will say that we're here to request these funds. We think we've run our organization well. We've been up and running almost a year now, we've developed our procedures and our policies.

Our community is accepting us fairly well, amazingly well, I would have to say. We're getting full support from our county which is funding us with a $500,000 a year loan, and our city which is likewise meeting a $500,000 a year loan.

The district staff of TxDOT has been superb. David Casteel, Julie Brown, Clay Smith, Frank Holtzman, Jennifer Matsugimba, all of those people have done well. Joanne Walsh, I think, was here -- is she still here -- our MPO director.

We recognize that we fit in to existing plans to meet needs. We're simply a facilitator, a way to capture toll road funds, to expedite and more aggressively address mobility issues in San Antonio.

We've been particularly grateful for Commissioner Andrade's guidance, support and leadership, and you too, Mr. Chairman.

Let me just from a distance say that we recognize what you're doing in Texas is a change in the way highways are built, and it's a way to bring more money in, it's a way to do financing to do projects quicker, and we realize our small role to play in that, but we are aggressively trying to meet those goals.

We're here today to ask for that $13 million, and we'll answer any questions that you have, and Tom Griebel is here to answer those questions.

MR. WILLIAMSON: Thank you. Any questions of the chair?

(No response.)

MR. WILLIAMSON: Thank you, Bill, appreciate it.

MS. ANDRADE: Mr. Chair, I don't have a question but I do have a comment. Our governor made a good choice when he selected our former Mayor Bill Thornton to lead this effort.

MR. WILLIAMSON: Indeed, I agree.

MR. GRIEBEL: Thank you for considering this today. I don't want to belabor it, but I wanted to give you a little idea of what we hope to build in San Antonio so that you don't have any misperception, and Dr. Thornton talked about the choice lanes that we're looking at, so I've got a few overheads to quickly flip through.

That's the starter system, just to refresh you, what TxDOT is building. We're going to be working on the western extension, hopefully, once we go through the negotiation and this passes and your action.

And the next slide kind of shows what 1604 looks like today which we hope to improve in a cooperative effort with TxDOT.

The western extension, part of it looks like this down to the Bandera Highway, and that's what hopefully it will look like in the future. It's going to be express lanes, it's an all-electronic system, so if someone says to you we're going to have congestion with the toll barrier plazas, we don't anticipate that because we're not going to have any barrier plazas, we're not collecting any coins, it's all electronic.

MR. WILLIAMSON: That's a good idea.

MR. GRIEBEL: And this is 281 which looks somewhat similar to the western extension south of the Bandera Highway down to 151.

MR. WILLIAMSON: Oh, look, Robert.

MR. NICHOLS: What?

MR. WILLIAMSON: You don't see it, right there.

MR. NICHOLS: I was wondering what that was.

MR. WILLIAMSON: That's your truck.

MR. NICHOLS: That's not my truck.

MR. GRIEBEL: We parked your truck out there to delay traffic is what we did. We created an incident so it would look like we had more traffic.

(General laughter.)

MR. GRIEBEL: And then hopefully the part south of State Highway 16 of the Bandera Highway down to 151 will look like this when we're finished, and those frontage roads will definitely look probably more enhanced than improved.

And then as we move forward, we're looking at kind of tackling what is called, as you build the starter system, we're going to be looking at the western extension with this $13 million it will help us develop, the northern extension of 281 to the county line, and the eastern extension from 35 down to I-10 on the east side by the Randolph Air Force Base.

And here's a line diagram showing the starter system that you are developing. It's got an estimated cost of about $450 million. And then enhancements of that and other systems will be done through a revenue bond, hopefully a large majority of that will be done with revenue bonds.

But thank you for your consideration of this, and thanks for having us today.

MR. WILLIAMSON: Questions for Mr. Griebel, Hope?

MS. ANDRADE: Tom, I have not questions but a couple of observations.

I like the way that you've labeled some of those slides to be toll lanes, because we want to reiterate that 1604 the road is not all going to be tolled but just lanes, and you'll still have lanes that are non-tolled. Is that correct?

MR. GRIEBEL: You'll always have a choice. And we have communicated to the public as well our partners in the media that that will be an alternative, and the citizens out there will not have to use the toll lanes to get where they're going today. And we're trying to communicate that.

MS. ANDRADE: Good. And if we had not done this, what year would we be doing this?

MR. GRIEBEL: Well, a big part of this process is the acceleration. On the starter system we've identified at least a 20-plus-year acceleration of those projects by packaging into an equity proposal for building the toll network in San Antonio.

And that includes bonds that you will be selling hopefully as well as Proposition 14, and then once you deal with the Mobility Fund bonds, some of that money in the starter system is also Mobility Fund bonds.

MS. ANDRADE: Thank you.

MR. WILLIAMSON: Robert?

MR. NICHOLS: A couple questions.

MR. GRIEBEL: I don't want to belabor you here.

MR. NICHOLS: No, just some things I want to add.

MR. WILLIAMSON: We don't want you to leave too quick either.

MR. NICHOLS: The existing lanes will be reconfigured and new lanes will be built. So you'll have the same number of lanes at completion non-tolled that you currently have.

MR. GRIEBEL: That we have today, that's correct.

MR. NICHOLS: But will the usability, the free flow of traffic on those lanes be reasonably the same as it is today?

MR. GRIEBEL: Well, we would anticipate -- if you'll go back to that slide -- that we'll have more people, particularly in the peak hours, in those express lanes. So we should improve over time those general purpose lanes.

MR. NICHOLS: Okay. Because I've had some people, as we go through the toll issue, particularly at the legislature, comments from the public, a lot of people seem to think: Well, they're going to give us the same number of lanes but they're going to create obstacles like red lights and things like that to slow traffic down to encourage us to move on the toll lanes, and that's not what you are doing. I just wanted to make that clear.

MR. GRIEBEL: Obviously on 1604 where there's general purpose lanes and plus there's going to be express lanes and they're going to be peak hour advantage for saving time. So we're going to be selling time back to people if they want to pay for that time.

MR. NICHOLS: On any of these projects that you're going to toll or plan to toll, has any dirt been moving on any of these?

MR. GRIEBEL: No, sir. They are not under construction at this time, and some of them are still going through the environmental review process.

MR. NICHOLS: So no segment has been under construction.

MR. GRIEBEL: The western extension that this $13 million has been identified, we've got to complete the environmental documents, and we're working very closely with the district to undertake that. So no dirt has moved, has been turned; there's no bulldozers out there.

MR. NICHOLS: Okay. I want to say for your area how much we appreciate what you have done in taking the complicated issue of tolls. I remember when the issue came up several years ago in San Antonio. I guess shell shock was probably the initial reaction when the idea of tolling some new construction came up.

But you have managed to work with the issue, I guess understand the problem, and have really done a great job in putting it together, so I think the public understands it in the San Antonio area from what I've seen.

We said when you formed an RMA that we would help you through this process, and I think that's what this commission intends to do.

I know Governor Perry has been very clear that he likes this concept, wants us to support it, and has indicated he encourages us to try to help you in these things too. Thanks.

MR. WILLIAMSON: Ted?

MR. HOUGHTON: Tom, you made a statement that once you, the commission, deals with the Mobility Fund.

MR. GRIEBEL: Let me retract that. Okay?

MR. HOUGHTON: I would think that the metropolitan areas need to understand it's not us, it's we, and if we cannot resolve the issue -- I call it the 9050 plan -- the 9050 plan falls apart. And the cities, the municipalities, the metros need to let the people across the street know that.

And at the same time, you are one of the leaders in coalescing groups in San Antonio through SAMCO, and I applaud you for that. Again, something to replicate around the state like Dallas/Fort Worth Metroplex that are out in front of it and moving quickly.

And congratulations to you, and former Mayor Thornton, congratulations.

MR. GRIEBEL: And let me retract my comment and say when the Mobility Fund issue is resolved. I'll make that more generic. Thank you.

MR. WILLIAMSON: I echo my congratulations to you and particularly you, Dr. Thornton for the job well done, just well done. We're most proud, most proud to be your partners.

MR. GRIEBEL: Thank you.

MR. WILLIAMSON: Anybody else?

(No response.)

MR. WILLIAMSON: Well, members, shall we give Commissioner Andrade the honors?

MS. ANDRADE: So moved.

MR. HOUGHTON: Second.

MS. THOMASON: I have a motion and a second. 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. Thank you.

MS. ANDRADE: Mr. Chairman, I'd like to add a comment. I also want to congratulate and thank our district staff because they've done an excellent job in educating our community about it, and I think Dr. Thornton will agree in that our public hearings we've just had great, great turnouts.

MR. WILLIAMSON: What is that district engineer's name down there?

MS. ANDRADE: I believe David.

MR. WILLIAMSON: David.

(General laughter.)

MS. ANDRADE: He's a star.

MR. WILLIAMSON: He's a low profile guy.

MS. ANDRADE: Thank you so much. I'm proud to live in San Antonio.

MR. NICHOLS: They train them well in Childress.

MR. WILLIAMSON: They train them well in Childress.

MR. BEHRENS: Agenda item number 10 under Transportation Planning, this is to authorize CONSTRUCT authority for a bridge in Nueces County. Jim Randall.

MR. NICHOLS: We're going to number 10?

MR. BEHRENS: Number 10.

MR. WILLIAMSON: We're at Tule Lake Lift Bridge.

MR. RANDALL: Jim Randall, director of the Transportation Planning and Programming Division.

Item 10, this minute order authorizes CONSTRUCT authority for a project to rehabilitate the Tule Lake Lift Bridge in Nueces County in Category 6, Structures Replacement and Rehabilitation Program of the 2005 Statewide Preservation Program.

The Tule Lake Lift Bridge is located on Navigation Boulevard, approximately one mile north of Interstate 37 at the Corpus Christi Ship Channel.

A recent inspection indicated defect in the bridge's lifting mechanism. Since the structure crosses the ship channel, failure of the lifting mechanism could result in the closure of the upper part of the Port of Corpus Christi to shipping.

In order to provide Nueces County citizens with a safe and efficient transportation system, it is necessary to advance the project to CONSTRUCT authority at an estimated cost of $1,275,000.

We recommend approval of this minute order.

MR. WILLIAMSON: Members, we have a witness who, I believe, will talk with us if we think we need to. I don't know that he wishes to talk unless required, or have I read that wrong?

MR. BEHRENS: Is Frank still here?

MR. DILLARD: Frank Brolin? I have not seen him, but he said he had an appointment at 12:30 across the street.

MR. WILLIAMSON: I'll amend my remarks to say we had a witness that gave up on us and left. But he was going to say, Man, we need this bridge repaired.

(General laughter.)

MR. NICHOLS: I remember several years ago we had a bridge -- I don't know if this is the same one or not -- there was a lift bridge or a swing bridge that a lot of people were claiming was a historical bridge. This isn't it, is it?

MR. WILLIAMSON: That's the one that wanted Enhancement funds.

MR. BEHRENS: That's in Freeport.

MR. WILLIAMSON: Do I have a motion?

MS. ANDRADE: So moved.

MR. WILLIAMSON: Do I have a second?

MR. HOUGHTON: Second.

MR. WILLIAMSON: I have a motion and a second. 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.

MR. DILLARD: Thank you.

MR. BEHRENS: Agenda item number 11 is a Pass-Through Toll for Williamson County. This will be presented by James Bass, our director of finance.

MR. BASS: Good afternoon, commissioners. I'm James Bass, director of Finance at TxDOT.

Agenda item 11 seeks authorization so that department staff may begin negotiations with Williamson County on a pass-through toll agreement. If negotiations prove to be successful, we would then come back to the commission for final approval in the future.

Williamson County has submitted a pass-through toll proposal providing for the county to construct improvements on seven local state highways through ten separate projects.

Some of those highways are FM 1431, US 79, an interchange at State Highway 29, FM 1660, and RM 620, US 183, and a couple of other road projects.

In total, the cost of these projects is estimated to be $130 million, and within their proposal the plan submitted had repayments being made over a total of 16 years.

However, your approval today would in no way be an agreement to any specific terms but would simply allow the department to begin negotiations with the county to arrive at mutually beneficial terms to then bring back to the commission for final approval.

Staff would recommend your approval, and would also like to point out to you that there are three Williamson County commissioners in attendance here today. I believe if you have any questions, they would be happy to respond to those.

MR. NICHOLS: As you stated, this is not a commitment of the funds but a commitment at least let's go to the next step and see what kind of terms we can work out.

MR. BASS: It's your authority to allow department staff to begin those negotiations.

MR. HOUGHTON: The same question is that the chair asked previously. Does anything to do with what's going on with the Mobility Fund have an impact, or potentially?

MR. BASS: The thought is that if this were to go forward in the future and we were able to come to acceptable terms, that the funding from this would come from Commission Strategic Priority which would have an impact on the cash flow out of the State Highway Fund which has been impacted by the non-action of the Bond Review Board.

MR. NICHOLS: So if we didn't have an action on one, it would disrupt, probably, our ability to --

MR. WILLIAMSON: Mike, what is the practical impact of moving forward on figuring out a way

Texas Department of Transportation Commission Meeting Transcript

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

Thursday, May 26, 2005

COMMISSION MEMBERS:

RIC WILLIAMSON, CHAIRMAN
JOHN W. JOHNSON
ROBERT L. NICHOLS
HOPE ANDRADE
TED HOUGHTON, JR.

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

PROCEEDINGS ON AGENDA ITEM # 7

7. **Regional Mobility Authority**
Bexar County - Consider final approval of a request for financing from the Alamo Regional Mobility Authority to pay certain costs necessary to study and develop the proposed Loop 1604 Western Extension turnpike project and other potential elements of a proposed toll system in Bexar County (MO)

economically disadvantaged counties.

MR. RANDALL: Yes, sir. This is the third quarter program for the Economically Disadvantaged Counties Program to adjust matching fund requirements.

In your book is Exhibit A that lists the projects and staff's recommended adjustments for each of them. The adjustments are based on the equations approved in earlier proposals.

There are eight projects in five counties. The total reduction in participation for these projects is $540,836.

We recommend approval of this minute order.

MR. NICHOLS: So moved.

MR. HOUGHTON: Second.

MR. WILLIAMSON: 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.

MR. BEHRENS: Agenda item 6(c), it's been expressed that we defer that item for this month, and Mr. Chair, I'll yield to you for any comments.

MR. WILLIAMSON: Members, I asked Mike to visit with each of you about deferring, not canceling but deferring the two or three items we had come to believe needed to be done this month.

I did it based upon the unexpected announcement of the BRACC process and whether or not that impact might change where we need to allocate our SP money.

I think that if we give staff a month to kind of consider whether or not we may have to spend more money, for example, in El Paso or Corpus Christi than we first thought, perhaps in Texarkana, the northeast corner of the state than we first thought, we would at least be aware of those potential obligations before we move forward in other parts of the state.

If there are not any objections, I would prefer for us to defer this.

MR. HOUGHTON: Well, there's no doubt you're going to spend more money in El Paso.

MR. WILLIAMSON: Well, there's two matters that we've said consistently. We're going to do everything we can to help preserve our bases, but the other side is we're going to have to be making some investments on those areas that have gained, such as El Paso.

I don't know that it's going to change much the projects that members had selected for this month, but I think we ought to give the staff a month to look at it.

MR. NICHOLS: I think deferring is fine.

MR. WILLIAMSON: Okay. Then it will be deferred.

MR. BEHRENS: Moving on to agenda item number 7 concerning the regional mobility authority

in Bexar County. Phil, will you lay that out, please?

MR. RUSSELL: Be happy to, Mike.

Good afternoon, commissioners, Mike and Roger. For the record, I'm Phil Russell and I'm the director of the Turnpike Division.

Commissioners, as you remember, we recently received a toll equity request from the Alamo RMA. That request was primarily for the western extension of the starter system on 1604 from about I-10 down to 151.

It is composed of three basic elements: $13 million for environmental and design work; $2 million for traffic and revenue analysis; and $5 million for early right of way acquisition.

Through our discussions with the RMA, we have determined that the $5 million for right of way acquisition should be deferred to a later date, the $2 million for traffic and revenue we can subtract from this total as well because we have some existing traffic and revenue consultant contracts with TxDOT and we can initiate that work right now.

So the remainder amount, the $13 million is the toll equity minute order that's before you.

Recalling last month you all provided the preliminary approval for that $13 million toll equity request, by approving this minute order, you would provide final approval and would direct Mr. Behrens to move forward with the financial agreement.

We would recommend approval of that, and I'd be happy to address any questions you might have.

MR. WILLIAMSON: Members, we have one witness. Do you wish to visit with Phil first, hear from the witness and then visit with Phil, or a combination thereof?

MR. NICHOLS: I prefer to wait for the witness.

MR. WILLIAMSON: Mr. Bill Thornton.

MR. THORNTON: Thank you, Mr. Chairman. I was reminded of city council; you guys get down to the level of individuals and I'm impressed. With the size budget you have, I've been very impressed today, favorably so.

I'm representing the Alamo RMA and I'll give you just a brief report as to where we are.

Hope and our judge, Nelson Wolfe, and I had lunch about a week ago which was very good. Hope is guiding us through this, is opening our minds to new ideas, and I think is doing a wonderful job and a very effective job in communicating TxDOT's view of what we can do in the future.

Secondly, we are here for that extension, and things changed a little bit from the last time. Let me tell you how we are resolving the unsolicited proposal.

We have a working group which has David Casteel, who is here in the room, and many on his staff, and Joanne Walsh.

Joanne, are you still here? She's here, which is our MPO, and Tom Griebel.

People who are simply aware of, one, what can be done, and who are also aware of what the challenges are. Those seem to be the three entities that are working through what can be done.

It was clear that our board was anxious to accelerate the transfer of these projects, simply in the spirit of local control. But in that acceleration from not just months but in some ways a year

of taking projects over, we need to learn -- which I think you've guided us well, Mr. Chairman -- we need to learn what that means, what are the costs, what are the implications, what are the difficulties in doing it earlier.

And that's what that group is doing. It's a work group of professional people that are involved in the industry, both planning and construction and mobility, and we will probably, I think, no sooner than two months from now start getting some recommendations from them of how we should pursue to best meet our needs.

And let me say this very, very clearly. Our board is committed and we want to be your favorite RMA, and I think we're going to do that by performance.

I will tell you I have two children. The one that was the hardest to raise is the one I'm closest to today. I had to tell my wife at times to just leave us alone, we will resolve this, and when we do it will be just fine.

And just as in families, the challenging child is often the one that you bond to the most. I truly believe that's what you're going to find here.

In your partnership with us, you have a united RMA that's well integrated into our community without controversy, the support of the mayor, the support of the county judge, minimal public opposition because they see that what we're doing through your leadership is meeting a need, addressing a need that exists for our citizens.

And so in that sense, as we go along please know that our goal is to be literally your favorite RMA.

In line with that, I must mention Mr. Behrens and your staff, the people that are here, Amadeo Saenz, Phil Russell, Doug Woodall, James Bass and Jack Ingram are helping us and we're looking to them for guidance along the way of what can be done and what should be done.

Specifically at our level at the district meetings where they attend regularly, David Casteel, Julie Brown, Clay Smith, Frank Holtzman and Jennifer Moczygemba are the ones that we're working with closest there.

This $13 million seems to us to be essential for us to continue on with purpose, and what that purpose is I've told you from the beginning is being defined by that work group of MPO, TxDOT and RMA, but we would greatly appreciate your continuing your support.

Mr. Chairman, your word is, to me, as good as gold, and you don't confuse me at all, and thank you for that on a personal level.

(General laughter.)

MR. WILLIAMSON: But what about the comptroller, is she keeping a pretty close eye on you?

MR. THORNTON: You know, at the end of our meetings where I sit where you do -- is Will Counihan here today?

MR. WILLIAMSON: Oh, I'm sure they're here.

MR. THORNTON: Well, I always offer, I say after the meeting we have a tent, the Comptroller's Office is serving barbecue and beer, we invite everybody in the back when this meeting is over. I choose to call on them throughout the meeting so that we can involve them in participation.

We usually have four, they never sit together, so it's sometimes hard to identify the new ones. But we're working with them diligently and respectfully.

MR. WILLIAMSON: That's good. We would want to be respectful and diligent with regard to those people.

MR. THORNTON: Well, I say this jokingly a little bit about the barbecue, but seriously, we've taken our task very seriously and are trying to do a good job. We watched what happened in Austin and we want to be a model for the RMAs that will follow us, and we think that we can be a model.

MR. WILLIAMSON: No question about that.

Members, questions or comments for Bill?

MR. JOHNSON: Bill, you mentioned that you had lunch with Judge Wolfe?

MR. THORNTON: Yes.

MR. JOHNSON: Who paid?

MR. THORNTON: I did, and one of the things that's fascinating in terms of the Comptroller's Office, do you know how many reimbursements our board has had through the RMA? Zero.

Life gets real simple when you spend your own money. You can't talk to me about what I spent it on and how much it was when it was mine.

There's a lot of things we're doing, we're as straight as can be. We have a no-lobby clause which has been different in Bexar County, made some of the elected officials a little nervous. People want to call us and talk and I go, Well, can't do that. It's made it very up straight in how we're doing things.

MR. WILLIAMSON: Yes, and that's a good way to do it too.

MR. NICHOLS: I just wanted to thank you for the time that you are spending on the RMA and doing what you're doing. It will make a lot of difference, and it takes people like you and others working on those things to make it happen.

I also wanted to say I think you chose a very good executive director in Tom Griebel.

MR. WILLIAMSON: So far.

(Outside noise.)

MR. NICHOLS: They're proud of what you said so they're shooting cannons.

MR. WILLIAMSON: That's my alumni doing that.

MR. THORNTON: Let me ask you this in that light. We would like for our board members, either in small groups or committees or the entire board, to come to Austin to meet with you and your staff at times. You've seen me now twice, but over these next few months because of our partnership and relationship, maybe through Commissioner Andrade's office we can set up some times where we can bring different people to meet with your staff, if that's fine with you.

MR. WILLIAMSON: Sure. That's always a good idea.

Other questions or comments?

(No response.)

MR. WILLIAMSON: Thank you so much, Bill. Thank you for the work you do.

MR. THORNTON: Thank you.

MR. WILLIAMSON: We're appreciative of all the RMA board members. It's all volunteer for everybody across the state.

MR. RUSSELL: It's a 21-gun salute for all the RMAs. Right, Chairman?

MR. WILLIAMSON: I think Griebel had something to do that because it's 12:22, that means they're 22 minutes late in doing it, and I saw him pull his phone out, so I think he paid off our school, Phillip, and gave the code and said, Shoot those guns now.

MR. RUSSELL: I saw him talking into his sleeve a moment ago so that probably had something to do with it.

(General laughter.)

MR. WILLIAMSON: Questions of Phillip?

(No response.)

MR. WILLIAMSON: Do I have a motion?

MS. ANDRADE: So moved.

MR. HOUGHTON: Second.

MR. WILLIAMSON: The commissioner who resides in San Antonio, Texas, moves and is seconded. All those in favor will signify by saying aye.

(A chorus of ayes.)

MR. WILLIAMSON: All opposed, no.

(No response.)

MR. WILLIAMSON: Motion carries.

MR. RUSSELL: Thank you, commissioners.

MR. BEHRENS: Agenda item number 8 under Finance, will be discussion of our revised investment policy.

MR. WILLIAMSON: Fast Jimmy recruited Johnny.

MR. MUNOZ: For the record, my name is John Munoz, the deputy director of the Finance Division.

Agenda item 8, this minute order would amend the commission's investment policy by adopting an investment strategy relating to funds held under a trust agreement related to the department's lease with option to purchase for the Houston District headquarters complex.

I'd be glad to answer any questions you have, and staff would recommend your approval.

MR. WILLIAMSON: Members, you heard the layout and the recommendation. Do we have questions?

MR. NICHOLS: So moved.

MR. HOUGHTON: Second.

ALAMO
REGIONAL MOBILITY AUTHORITY

Statement of Cash Flow

For the period ending June 30, 2005

OPERATING ACTIVITIES:	
Loss from operations	(276,833)
Adjustments to reconcile loss from operations	
to net cash used by operating activities:	
(Increase) Decrease in prepaid insurance	(1,219)
(Increase) Decrease in prepaid rent	(400)
Increase (Decrease) in accounts payable	(5,121)
Increase (Decrease) in salaries and taxes payable	(3,308)
Increase (Decrease) in interest payable	13,181
Net cash provided by Operating Activities	($273,701)
INVESTING ACTIVITIES:	
Furniture, fixtures & equipment	(5,178)
Net cash provided by Investing Activities	(5,178)
FINANCING ACTIVITIES:	
Bexar County Loan #2 Payable	500,000
City of San Antonio Loan #1 Payable	500,000
Net cash provided by Capital and Related Financing Activities	1,000,000
Net cash increase for period	$721,121
Net increase in cash and cash investments	
Cash and Cash Investments, October 1, 2004	208,576
Cash and Cash Investments, June 30, 2005	929,696
	$721,121

ALAMO
REGIONAL MOBILITY AUTHORITY

Statement of Revenue, Expenses and Changes in Fund Deficit

For the period ending June 30, 2005

		MONTH	Y-T-D	BUDGET	VARIANCE
Ordinary Income:					
Interest Income		$1,080	$5,307	$3,300	$2,007
Total Ordinary Income		1,080	5,307	3,300	2,007
Operating Expenses:					
Salary, Benefits and Retirement Expense		$24,297	$161,783	$200,070	$38,287
Payroll Tax Expense		1,632	12,924	13,722	798
Business & Travel		1,819	8,637	18,348	9,711
Insurance Expense		303	3,717	2,711	(1,006)
Website Development		20	570	1,650	1,080
Telephone		69	830	3,150	2,320
GKDA, Supplies, Printing, Postage, Copier		553	10,800	2,500	(8,300)
Meeting Expense		376	1,622	1,800	178
Memberships		25	1,625	2,500	875
Professional Services	**Note 1**	17,874	65,987	119,329	53,342
Office Space		--	--	--	--
Miscellaneous Expense		23	465	1,350	885
Total Operating Expenses		46,991	268,960	367,130	98,170
Loss From Operations		(45,911)	(263,653)	(363,830)	(100,177)
Nonoperating Expenses:					
Interest Expense		1,933	13,180	8,100	(5,080)
Total Nonoperating Expenses		1,933	13,180	8,100	(5,080)
Net Loss		**($47,844)**	**($276,833)**	**($371,930)**	**($95,097)**
Retained deficit at October 1, 2004			($53,632)		
Retained deficit at June 30, 2005			($330,465)		
Equipment Purchases		474	5,178	42,000	36,822

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

Locke, Liddell	12,092 (Loeffler 2,896)	Locke, Liddell	13,058 (Loeffler 2,896)
Marcus Jahns	4,478	Jim Griffin	27,931
Jama Lopez	1,304	Marcus Jahns	12,000
	17,874	Jama Lopez	12,498
		Winsted	500
			65,987

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

ALAMO REGIONAL MOBILITY AUTHORITY

Balance Sheet
June 30, 2005

ASSETS	
Current Assets:	
Cash and cash investments	$929,696
Prepaid insurance	1,219
Prepaid rent	400
Total Current Assets	931,316
Fixed Assets:	
Equipment	5,178
Total Assets	$936,494
LIABILITIES AND FUND EQUITY	
Current Liabilities:	
Accounts Payable	1,901
Accrued Interest	15,059
Total Current Liabilities	16,959
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	1,250,000
Total Liabilities	1,266,959
Fund Deficit:	
Retained Deficit	(53,632)
Unreserved - Net loss	(276,833)
	(330,465)
Total Liabilities and Fund Deficit	$936,494

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

TEXAS TRANSPORTATION COMMISSION

BEXAR County

MINUTE ORDER

SAN ANTONIO District

Subchapter E, Chapter 223, Transportation Code prescribes the process by which the Texas Department of Transportation (department) may enter into a comprehensive development agreement with a private entity that provides for the design, construction, financing, maintenance, or operation of a toll project on the state highway system.

The department has received an unsolicited proposal from a consortium led by Zachry American Infrastructure and Cintra Concesiones de Infraestructuras de Transporte (Zachry American/Cintra), for development of a proposed toll project along Loop 1604 from SH 151 to I-10 on the east side of the City of San Antonio, and along US 281 from Loop 1604 north to approximately Borgfeld Road.

Section 223.203, Transportation Code, prescribes requirements for an unsolicited proposal and requires the department, if a decision is made to further evaluate the unsolicited proposal, to publish a request for competing proposals and qualifications in the Texas Register that includes the criteria that will be used to evaluate the original proposal and any competing proposals, the relative weight given to the criteria, and a deadline by which the competing proposals must be received.

Development of the project is a crucial element in responding to traffic congestion that exists in the San Antonio area, particularly along the US 281 and Loop 1604 corridors. There exists the potential for expediting the completion of this project through the development of a public-private partnership and the employment of innovative methods such as those described in the unsolicited proposal.

IT IS THEREFORE ORDERED by the Texas Transportation Commission that the department is authorized and directed to publish in the Texas Register and in one or more newspapers of general circulation a request for competing proposals and qualifications for the development of the proposed toll project along Loop 1604 from SH 151 to I-10 on the east side of the City of San Antonio, and along US 281 from Loop 1604 north to approximately Borgfeld Road.

IT IS FURTHER ORDERED that the request include a notification to interested parties that the department intends to evaluate the proposal submitted by Zachry American/Cintra, and that the department will accept for simultaneous consideration any competing proposals and qualifications responsive to the request that are received within 90 days of the date the request is published in the Texas Register.

Submitted and reviewed by:

Director, Texas Turnpike Authority Division

Recommended by:

M. W. Behrens

Executive Director

110112 JUN 30 05

Minute Number — Date Passed

As the department is currently conducting environmental studies and analyses of the proposed Loop 1604 Western Extension project, and is developing the schematic and the environmental documents for the project, and the authority has committed in the request for financing to comply with all applicable environmental laws and to assume responsibility for identifying and securing all federal and state environmental permits and commitments necessary for the development of its projects, the commission has determined that the project will provide for all reasonable and feasible measures to avoid, minimize, or mitigate adverse environmental impacts.

The proposed Loop 1604 Western Extension project is consistent with the approved Texas Transportation Plan and included in the approved plan of the San Antonio-Bexar County Metropolitan Planning Organization, but is not yet included in the metropolitan or statewide transportation improvement programs.

NOW, THEREFORE, IT IS DETERMINED that the request for financial assistance submitted by the Alamo Regional Mobility Authority meets the requirements of 43 TAC §27.54(c) and, in accordance with that provision, the commission grants final approval of the request for financing in the amount of $13 million, and authorizes and directs the executive director to enter into a financial assistance agreement with the authority. The disbursement of funds to the Alamo Regional Mobility Authority is subject to the addition of the Loop 1604 Western Extension project to the metropolitan and statewide transportation improvement programs.

IT IS FURTHER ORDERED that this order is limited to the approval of financial assistance for the purpose of funding preliminary engineering, public outreach, and design for the proposed Loop 1604 Western Extension, potentially leading to the further development of the Loop 1604 Western Extension by the Alamo Regional Mobility Authority as a toll facility. This order does not constitute approval of the transfer of the project as required by 43 TAC §26.43 nor does it commit the commission to any financial assistance in addition to that described in this order.

Submitted and reviewed by:

Director, Texas Turnpike Authority Division

Recommended by:

Executive Director

110086	MAY 26 05
Minute Number	Date Passed

TEXAS TRANSPORTATION COMMISSION

BEXAR County **MINUTE ORDER**

SAN ANTONIO District

In Minute Order 109523, dated December 18, 2003, the Texas Transportation Commission (commission) authorized the creation of the Alamo Regional Mobility Authority (authority), formerly known as the Bexar County Regional Mobility Authority, with the boundaries of the authority to be the entire geographic area of Bexar County, Texas.

Minute Order 109523 further provided that the initial project to be developed, maintained, and operated by the authority will be a proposed approximately 50-mile toll-road network. The Texas Department of Transportation (department) is currently carrying out project development activities for the Starter Toll System, approximately 22 miles of the toll-road network, that includes new capacity on Loop 1604 from west of I-10 west to I-35 north, and new capacity on US 281 from Loop 1604 north to Stone Oak Parkway, and which will be evaluated for potential transfer to the authority.

Transportation Code, §370.301 authorizes the department to provide for or contribute to the payment of costs of the design, financing, construction, operation, or maintenance of a turnpike project of a regional mobility authority (RMA) on terms agreed to by the department and the RMA. Transportation Code, §222.103 authorizes the department to participate, by spending money from any available source, in the acquisition, construction, maintenance, or operation of a toll facility of a public or private entity on terms and conditions established by the commission.

Pursuant to Transportation Code, §222.103, the commission adopted Title 43, Texas Administrative Code, §27.50-27.58 (toll equity rules) to prescribe conditions for the commission's financing of a toll facility of a public or private entity.

In accordance with Sections 27.53 and 27.54(a) of the toll equity rules, the commission, in Minute Order 110001, granted preliminary approval of financial assistance in the amount of $13 million for the purpose of funding the preliminary development and design of a proposed 10-mile turnpike project in Bexar County that would extend the added capacity on Loop 1604 from the Starter Toll System southwest to SH 151 (Loop 1604 Western Extension). The financing would be used for preliminary engineering, public outreach, and design for the proposed Loop 1604 Western Extension. The financial assistance would be in the form of a grant.

In accordance with Section 27.54 of the toll equity rules, the executive director has negotiated a financial assistance agreement with the authority that complies with the requirements of Section 27.55 of those rules, and the authority has complied with all other applicable requirements of Section 27.54.

As the financial assistance will be used to pay for project costs leading to the construction of the proposed Loop 1604 Western Extension, a needed roadway project that will improve safety and mobility by adding capacity to an existing corridor that carries traffic volumes that exceed the efficient carrying capacity of a facility of its configuration, and the executive director has negotiated provisions relating to the disbursement of financial assistance, the commission has determined that providing financial assistance will prudently provide for the protection of public funds.

Options and Choices for Mobility

Interim Report of the AlamoRMA – MPO – TxDOT Joint Working Committee

Loop 1604 and US 281 and More
Bexar County, Texas

June 28, 2005

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Options and Choices for Mobility

Loop 1604 and US 281 and More, Bexar County, Texas

Introduction and Background

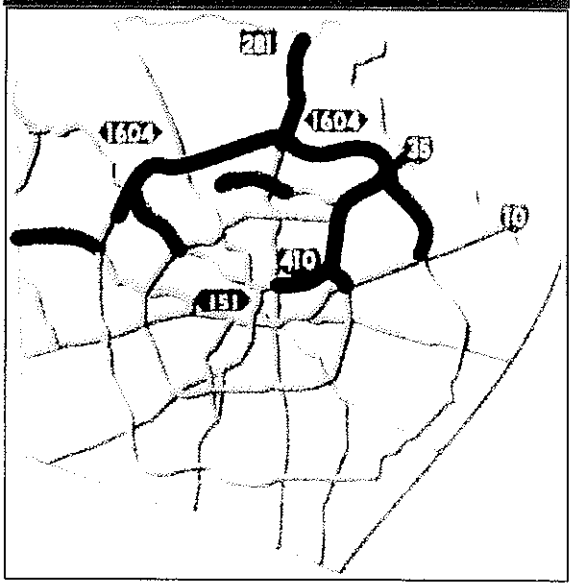
The Bexar County region is expected to experience significant growth in the foreseeable future. Traffic congestion will continue to worsen as employment and households increase. The San Antonio Metropolitan Area has a need of $10.1 billion dollars in order to build the necessary transportation facilities to decrease congestion to an acceptable goal for the next 25 years. This amount reflects not only added capacity, but transit, the addition of several major interchanges around the city and the right of way needed to expand the system.

It is anticipated that only about $1.7 billion of traditional state/federal funding (which leaves a funding gap of $8.4 billion of which $4.7 billion is on the expressway system) will be available over the next 25 years. The funding gap leaves the area unable to add needed capacity to the road system, resulting in additional congestion. The traditional methods of improving the transportation system are failing to meet current needs and will continue to fall significantly short in the future.

"The future of Texas is intricately tied to an efficient and effective transportation system – a system that must provide reliable mobility, improved safety, streamlined project delivery and economic vitality." — **Transportation Partnerships**, Texas Department of Transportation, 2001.

In December 2003, the Texas Transportation Commission accepted and approved a petition from Bexar County to form a Regional Mobility Authority (RMA). That petition identified a fifty-mile plus network of roadways to consider for expansion using tolls as part of the funding mechanism. Figure 1 shows that initial proposed network as well as logical and presumed additions to that network.

Figure 1 – AlamoRMA Petition Identified System



Immediately upon approval, two distinct tracks for implementation commenced. One track was the formation of the AlamoRMA by Bexar County. The other track was the development of a financial implementation plan for the network of toll lanes identified. This latter effort was a joint effort by the San Antonio

District of the Texas Department of Transportation (TxDOT) and the San Antonio - Bexar County Metropolitan Planning Organization (MPO).

> "To provide our customers with a rapid and reliable alternative for the safe and efficient movement of people, goods and services." – **Mission Statement**, Alamo Regional Mobility Authority.

Members of the AlamoRMA board were appointed by the Bexar County Commissioners Court, the County Judge and the Governor. Holding their first meeting in April of 2004, the AlamoRMA board set about to develop a legal framework for existence, a strategic plan and staffing. Funding for these efforts came in the form of loans from Bexar County and the City of San Antonio. With the appointment of an executive director a few months after formation, the AlamoRMA joined forces with TxDOT and the MPO in development of a financial implementation plan for toll projects. The AlamoRMA continued to develop their legal policies and procedures and strategic plan throughout 2004 to early 2005.

TxDOT, MPO and AlamoRMA developed a financial implementation plan to start project development. This plan relied heavily on tax dollars made available from the Texas Transportation Commission through Category 2: Metropolitan Mobility, Cat 12: Commission Strategic Priority and the Texas Mobility Fund (TMF).

> "To provide comprehensive, coordinated and continuous ("3C") transportation planning for the safe and efficient movement of people and goods consistent with the region's overall economic, social and environmental goals." – **Mission Statement**, Metropolitan Planning Organization.

Public meetings were held on this plan in the summer of 2004 with much public and media interest. It is estimated that more than 600 persons attended meetings regarding this plan. All major media outlets in the metropolitan San Antonio Area covered the meetings and discussions. Front page articles appeared in the *San Antonio Express-News* and one TV station even aired a multi-part investigative report on the subject. TxDOT and MPO staffs briefed dozens of elected officials on the plan and gave numerous print, radio and TV interviews on the subject during the summer of 2004.

> "...congestion in Texas metropolitan areas cost the state over $45 billion between 1990 and 2000." — **Texas Metropolitan Mobility Plan**, Texas Department of Transportation, 2003.

In July 2004, the MPO Policy Board adopted the funding plan as part of their submission to the Texas Transportation Commission for inclusion in the Unified Transportation Plan (UTP), and Statewide Mobility Plan (SMP). The funding plan was adopted with fifteen votes aye and one vote nay. Later in 2004, the MPO policy board voted on other plans containing the implementation of toll lanes. These other documents included the Metropolitan Mobility Plan (MMP) and the Metropolitan Transportation Plan (MTP).

Envisioned Plan

The following discussion and references to project descriptions, costs, dates, etc. are based upon the envisioned plan as laid out in the MPO's MTP.

The envisioned plan, conceived to "jump start" the AlamoRMA toll system in Bexar County, relied on the development of a highly tax leveraged Starter System of projects on Loop 1604 and US 281. Tax dollars were to be used as capital for building the "Starter System" and then the Starter System assets were to be bonded to re-pay part of the tax dollars (to the MPO) and to accelerate construction of contiguous elements along LP 1604 and US 281. Table 1 shows the LP 1604, US 281 Implementation Plan as originally developed for the UTP by TxDOT, MPO and AlamoRMA staffs.

Table 1 – LP 1604, US 281 Original Implementation Plan (defined in the MTP)

PROJECT	YR. TO LETTING	LIMITS	EST. CONST. COST (-)	EST. DEV. COST (ROW, UTILITIES, DESIGN ENG.) (-)		ESTIMATED EQUITY FROM MPO FINANCIAL PLAN (*)	ESTIMATED BONDING CAPACITY (*)	PROPOSITION 14 REIMBURSEMENT TO MPO
All Costs in Millions ($M)								
STARTER SYSTEM: LP 1604 and US 281	2006	LP 1604:From I-10W to I-35 US 281: From LP 1604 to Stone Oak Pkwy. LP 1604/US 281 Interchange LP 1604/I-10 W Interchange (Phase I)	$449	-$140 (in kind)		$519 - $70 $449	$377	$70
Western Extension: LP 1604	2015	LP 1604:From SH 151 to I-10 W	$151	$12 (ROW/Util) + $23 (Eng.) = $35		$61	$21	
Northern Extension: US 281	2015	US 281: From Stone Oak Pkwy. to Comal County Line	$66	$55 (ROW/Util) + $15 (Eng.) = $75		$5	$130	
Eastern Extension: LP 1604	2022	LP 1604: From I-35 to I-10 E	$175	$52 (ROW/Util) + $28 (Eng.) = $80		$115	$13	
Overruns and Price Increases		Across System = 15%	$130	$0		$0		
LP 1604, US 281 TOTAL			$991	$180		$630	$541	-$70

*** Proposition 14 Cost*

LP 1604 and US 281 was divided into four segments for planning purposes: the Starter System, the Western Extension, the Northern Extension and the Eastern Extension.

The entire system was originally estimated to cost more than $1.3 billion to implement. In the MPO financial plan, $700 million was to come from a combination of tax dollars (Categories 2, 12, and TMF). Approximately $70 million was to be repaid to the MPO through bonds to cover the costs realized to advance monies to the Starter System, netting $630 million in tax dollars to be used in financing the projects. Another $541 million, less the $70 million repaid to the MPO, would be used for project financing. The net toll bonds for the project were estimated at $471 million. Another $140 million was to be supplied in the form of engineering services, Rights of Way and utility relocation by TxDOT on the Starter System.

To implement this plan, the MPO would fund the Starter System and TxDOT would design and construct the Starter System. The AlamoRMA would execute a transfer of the system in order to bond the asset to construct the three Extensions. The Starter System and Extensions would take until 2026 according to the MPO plan to construct. The time frame was restricted by the required tax equity for implementation.

The AlamoRMA petition and MPO plan also called for development of toll lanes along IH 35, the interchange of US 281 and Wurzbach Parkway, and SH 16 at points in the future. The financial plan developed for these projects was less mature in 2004 and has been further evaluated in 2005. The MPO funding plan for these facilities includes some tax dollars, some anticipated toll dollars and potentially private partnerships in the form of Comprehensive Development Agreements (CDAs). The estimated funding plans for these projects are shown as Table 2 - Other Projects.

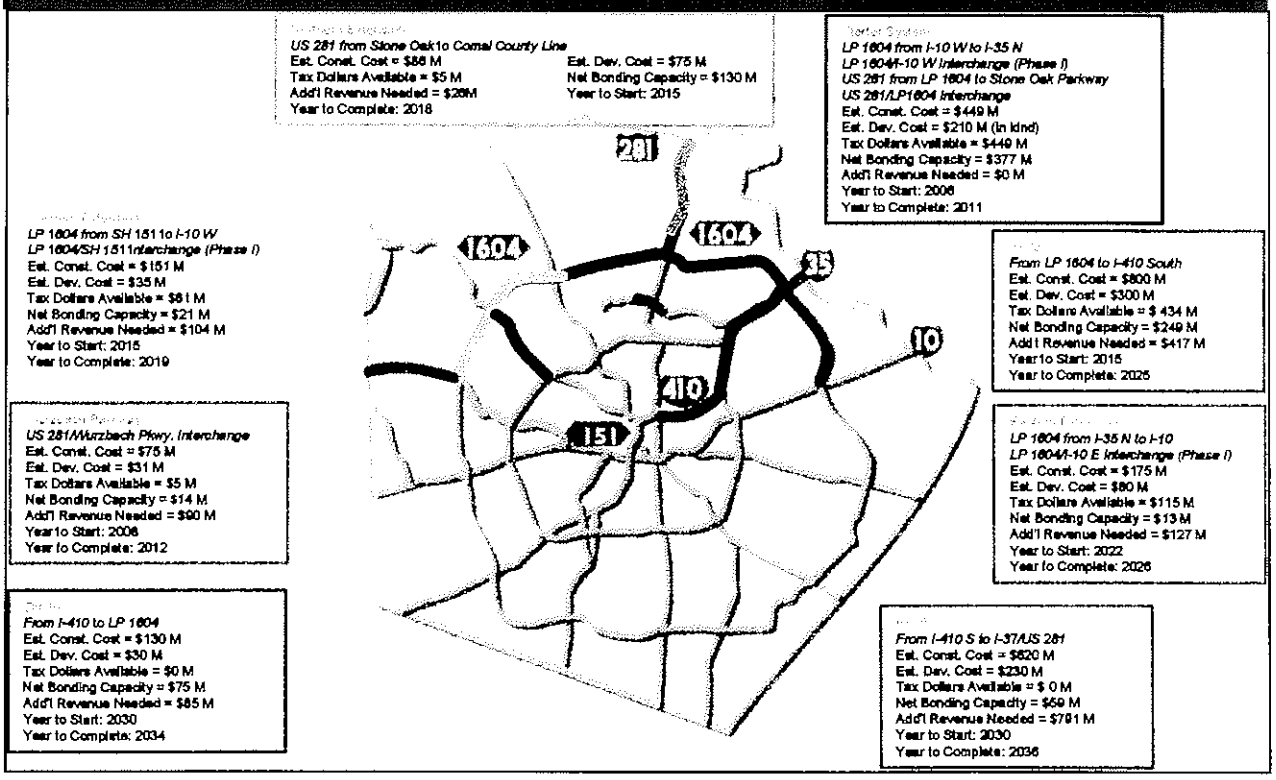
Table 2 – Other Projects

PROJECT		LIMITS	EST. CONST. COST ($)	EST. DEV. COST (ROW, UTILITIES, DESIGN ENG.) ($)		ESTIMATED EQUITY FROM MPO FINANCIAL PLAN	ESTIMATED BONDING CAPACITY ($)	
All Costs in Millions ($)								
US 281 @ Wurzbach Pkwy.		Interchange	$78	$31		$5	$14	
I-35		From LP 1604 to I-410 S	$800	$300		$434	$249	
I-35		From I-410 S to I-37/US 281	$620	$230		$0	$59	
SH 16		From I-410 to LP 1604	$130	$30		$0	$75	
TOTAL			$1,628	$691		$439	$397	

Additionally, TxDOT has been exploring continuation of the toll network along IH 10 both east and west radially from the metropolitan area. The financial and feasibility studies are on-going at this time as well as continual refinement by TxDOT and the AlamoRMA for all the projects shown in Tables 1 and 2 is underway at TxDOT and the AlamoRMA.

Figure 2 is a summary of the toll components of the MPO Plan. The data from the inset boxes is contained in Tables 1 and 2.

Figure 2 – MPO's Metropolitan Transportation Plan (MTP) – Toll Components



Starter System Status May 2005

The envisioned plan, as described previously, was conceived as a partnership between TxDOT, the MPO and the AlamoRMA. To date, each party has been working diligently in their roles to execute the Implementation of the mobility projects. The following discussions and references to projects costs, dates, etc. are based upon current design level information.

To develop the Starter System, it was broken into six development projects to be implemented by TxDOT. Consultant engineers were hired and an office with TxDOT personnel was formed to oversee development. The status of the six projects is shown below in Table 3 - Starter System Status - May 2005.

Table 3 – Starter System Status -- May 2005

PROJECT	LIMITS	STATUS OF ENVIRONMENTAL STUDIES	STATUS OF ROW / STATUS OF UTILITIES	LATEST CONSTRUCTION COST ESTIMATE (IN MILLIONS) / PSE % COMPLETE	ESTIMATED DATE READY TO LET
US 281	From LP 1604 to Stone Oak Parkway	Public Hearing held	90% Clear	$78.60	Sep-05
			90% Clear	99%	
LP 1604/US 281 Interchange	At Interchange	Public Hearing held	10% Clear	$186.40	Aug-06
			10% Clear	60%	
LP 1604 W	From NW Military to Stone Oak Parkway	Will hold Public Hearing Sept-05	N/A	$69.55	Feb-06
			0% Clear	60%	
LP 1604 E (Segment 1)	From Redland Rd. to Green Mountain Rd.	Will hold Public Hearing Sept-05	N/A	$67.70	Feb-06
			0% Clear	60%	
LP 1604 E (Segment 2)	From Green Mountain Rd. to I-35 N	Will hold Public Hearing Sept-05	N/A	$40.10	Feb-06
			0% Clear	60%	
LP 1604/I-10 W Interchange (Phase 1)	At Interchange	Will hold Public Hearing Sept-05	N/A	$156.80	Jun-06
			0% Clear	60%	
TOTAL				*$599.15*	

As of May 2005, the construction estimate for the starter system is $599.15 million. This is 33% above the original construction estimate from 2003 upon which the plan was developed.

There are a number of reasons for these overruns, including:

- Initial estimates are planning level, generally plus or minus 30%
- Current estimates are through 60% design, generally plus or minus 15%
- Environmental mitigation and aquifer issues
- Re-design of LP 1604 to allow operational merge with center toll lanes
- Re-scope of project to accommodate large economic developments at LP 1604/IH 10
- Construction costs have risen faster than assumed

In addition to construction costs, there are costs for operations and toll collection on the starter system as follows:

- Toll collection system hardware, $20.10 million
- Intelligent Transportation System, ITS, hardware, $34.85 million

The current estimated total costs for construction of the Starter System with toll collection and ITS in place is $654.10 million, or $205.1 million (54%) above plan estimates.

Impact of Overruns on Starter System Implementation

Financial Plan

To implement the Starter System within the MPO financial plan, it is apparent that given the overruns, some construction bonds will need to be sold to supplement the allocated MPO tax dollars. At a minimum, this amount will be $205.1 million plus required capitalized interest and issuance costs.

A few questions need to be answered to sell bonds:

- Who will sell the bonds?
- Who will collect the tolls to fund the bond sell?

The most straight forward approach would be to transfer the project to the AlamoRMA and allow them to sell the bonds and collect the tolls.

Working from this scenario:

Some assumptions:

On September 1, 2005, the AlamoRMA will assume the projects from TxDOT and issue bonds for project completion.

The financial picture for this scenario would be as shown in Table 4 - Starter System with May 2005 Estimate and September 2005 Transfer to AlamoRMA.

Under this scenario, the analysis shows the project will need $85 million more than the funding available. This deficit could be made up with MPO financial help or with TxDOT in-kind or financial assistance. This $85 million represents approximately 10% of the total project costs.

The analysis shows that the project can most likely be implemented, even with the cost overruns. Reduction or deferment of certain items of work, such as ITS or aesthetic features could reduce costs by up to $38 million. TxDOT in-kind work extending through project design could reduce costs by $13 million. TxDOT acquisition of ROW could reduce impact by another $23 million. If the project was not assumed by the AlamoRMA until just prior to construction and ITS and aesthetic features delayed, then the project costs could be lessened by $74 million. This would put the project over the estimated available resources by $14 million. Such a deficit could be reduced through a reduction in project scope. Of course, impacts on projected toll revenue would need to be assessed in any re-scoping.

Table 4 – Starter System with May 2005 Estimate and September 2005 Transfer to AlamoRMA

ITEM OF WORK	COST OF ITEM	TAX DOLLARS AVAILABLE	TOLL DOLLARS AVAILABLE	BALACE OF COMBINED TAX AND TOLL DOLLARS AVAILABLE
		(IN MILLIONS)		
Construction of Starter System	$654.1	$449.00	$310 *	$449 + $310 - $654.1 = $104.9
Complete Engineering Design from September 1 to Project Award	$12.7			$104.9 - $12.7 = $92.2
Engineering through Construction	$55.4			$92.2 - $55.4 = $36.8
Capitalized Interest for Construction (Assume bonds sold on project mid-way through construction. Interest rate of 4%)	$24.6			$36.8 - $24.6 = $12.2
Change Orders, Overruns and Contingencies (10% of construction)	$65.4			$12.2 - $65.4 = -$53.2
Remaining ROW/Utility Costs on September 1, 2005	$31.6			-$53.2 - $31.8 = -$85.0
TOTAL	***$844***	***$449***	***$310***	***-$85***

* Based upon latest Preliminary Revenue Analysis. Assumes no repayment of Proposition 14 costs to MPO.

Construction Schedule

Table 3 shows when the dates of individual project elements of the Starter System would be ready to let to contract. With project overruns and the need to access toll revenue bonds earlier than originally planned, the dates to let would change. This change would be needed to allow time for investment grade traffic revenue studies and bond sale instruments to be completed. It is estimated that it would take approximately 18 months to complete these tasks.

Therefore, the Starter System implementation would be impacted as shown in Table 5 - Project Schedule Impacts of Cost Overruns. This table is based on the assumption that the AlamoRMA would assume the Starter System in September 2005, construct the project and sell the bonds.

Table 5 – Starter System Schedule Impact of Cost Overruns

DATE OF TASK	TASK	COST OF TASK	TAX DOLLARS AVAILABLE	BOND DOLLARS AVAILABLE	FUNDING BALANCE	COMMENTS
			(IN MILLIONS)			
2006	Complete construction plans	$12.72 (rounded to $13)	$449-$13 = $436	$310	$746	RMA Complete Plans
2006	Award as much of the Starter System as can afford from tax dollars	$337 + $62 = $399	$436 -$399 = $37	$310	$37 + $310 = $347	Construction Engineering and Contingency (9% + 10%) = $62 million Construction of Projects/ROW/Utilities = $337 million
2008	Issue bonds	$37	$37 - $37 = $0	$310	$0 + $310= $310	Traffic Revenue studies and bond Issuance (12% of $307) = $37 million
2008	Award remaining projects using funding balance	$310	$0	$0	$0	See notes and analysis in Table 4
	TOTAL	$769	($85 M less than needed cost identified in Table 4)			

The analysis of this table shows that portions of the Starter System would not be initiated for construction until 2008 in order to complete the traffic and revenue investment grade studies necessary to issue bonds. The delay in delivery could be up to two years depending upon which individual projects are delayed. The two interchanges would take the longest to construct. However their combined costs exceed the available net tax dollars available in 2006. Thus, the assumption that one Interchange could not be initiated until after bond sell is most likely correct; resulting in a two year delay in project delivery. Therefore, it is most likely, based on this analysis, that the Starter System would not be complete in place until 2013, *assuming* that a source for the $85 million shortfall identified in Table 4 and 5 is determined. This will most likely result in an increase in construction costs that is not included in the analysis.

Impact of Cost Overrun on the Toll Network Implementation

In Table 1, the TxDOT, MPO, AlamoRMA plan developed in 2003 and 2004 was described. This plan relied heavily on tax dollars to implement the Starter System and a combination of toll bonds and tax dollars to extend the Starter System to the west, north and east by 2026.

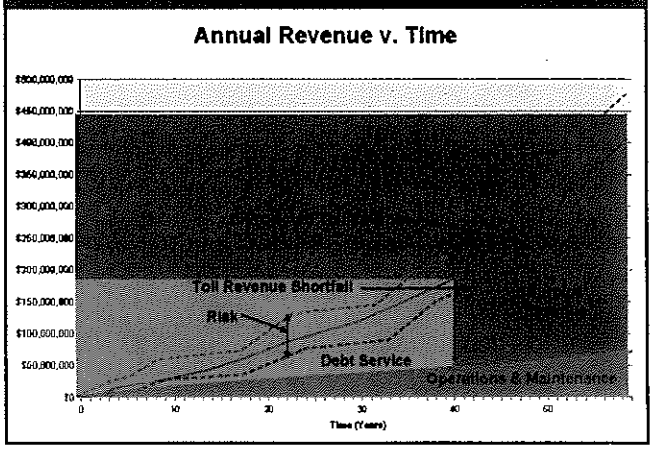
If the bonding capacity of the Starter System is needed to construct the Starter System as shown in Tables 4 and 5, then it is obvious that the Extensions will be delayed until alternative financial plans can be developed. As shown in Table 1, the Northern Extension along US 281 is the one project that could most likely continue without an extensive influx of tax dollars. As the Extensions are delayed, it is likely that the construction and development costs will increase.

Analysis of Toll Bond Capacity

Preliminary analysis has been completed for the Starter System. This analysis was performed by PBS&J and used the standard methodology developed by the Texas Turnpike Authority Division of TxDOT.

Figure 3 depicts total revenues and total costs for 40 years, which is the assumed debt period (bonding term). Other applicable assumptions are 12 cent toll with increase every 5 years; inflation of 3.5% per year; bond interest rate of 5.5% and traffic projections.

Figure 3 - Revenue and Costs (over 40 years) on the Starter System



The total revenue stream expected over 40 years from the Starter System is the Gross Revenue less the cost of operations, maintenance and debt service as shown in the figure.

In the Preliminary Revenue Analysis the assumption is that all net revenue is used in order to maximize the bonding capacity of the project. The current estimated bonding capacity of the system is approximately $310 million. It can be assumed that 100% of the bonding capacity will be needed in order to construct the Starter System, and therefore, no net revenue stream will be realized in the 40 year period.

During the debt service term there is a certain risk associated with the projected revenue stream. This risk is directly related to the growth rate and toll lane use along the corridors. Once the bond debt has been retired, surplus revenues (after maintenance and operating costs) begin to generate.

Risks Associated with this Analysis

Just as with the plan developed in previous years and shown in Table 1, the financial and implementation plans developed in this analysis are not without risks. Table 6 shows a few of the risks associated with the most current analysis.

Table 6 – Risks Associated with Most Current Analysis

RISK ELEMENT	POTENTIAL POSITIVE IMPACT RISK	POTENTIAL NEGATIVE IMPACT RISK
Cost to construct	Construction costs could not increase as expected	Construction costs could increase greater than expected
Revenue	Growth in area could increase faster than expected	Growth in area could increase slower than expected
	Greater use of toll lanes could be experienced than expected	Less use of toll lanes could be experienced than expected
Financing	Rates could go down	Rates could go up

AlamoRMA Cash Flow

In the 2004 plan as approved by the MPO, it was assumed that no bond sale would be needed to fund the Starter System. It was also assumed that TxDOT would design and build the Starter System. Upon completion, the AlamoRMA would assume ownership of the Starter System and sell bonds to fund the Extensions. With these assumptions, it was most likely that the US 281 segment of the Starter System would be constructed by 2008. With this element in place, the AlamoRMA could assume ownership and issue revenue bonds on the projected revenue from that segment.

With new cost elements as analyzed in this plan, it is now apparent that all bonding capacity on the Starter System will be required to construct the Starter System.

This will have a negative impact on AlamoRMA cash flow. It is apparent that without an influx of tax dollars, there will not be funds available from the Starter System to fund AlamoRMA endeavors to extend the toll system in the foreseeable future.

The discussion of risks in the previous section would directly apply to projections of when revenue would be available to fund AlamoRMA indirect costs or project Extensions.

Alternate Plan

On April 27, TxDOT received an unsolicited proposal from a private interest to develop the Starter System and the Western, Northern and Eastern Extensions as a design, build, operate and maintain concession. The proposal indicates that substantial research into design and traffic and revenue has been undertaken by this private interest in preparing the proposal. The proposal indicates the following attributes:

- The private interest would not request any tax money for the implementation of the proposal. That is, 100% of the projects would be financed privately with no tax dollars.
- Tax dollars allotted for the projects in the MPO plan would be available for other projects in the region.
- The private interest would complete the projects10 years sooner than shown in the MPO/TxDOT plan.
- Historically underutilized businesses and small business enterprises would have significant opportunity to participate in the construction and operation of the proposed facility.
- Risks associated with the development of the projects would be shifted from the public sector to the private sector.

It could be presumed that the proposer has developed a plan that could be a different design, could have more innovative financing and/or could have greater customer appeal. The proposer suggests a 40-50 year concession for this system in the proposal. At the end of the concession, the asset (roads and bridges) would be assumed by the owner of the project.

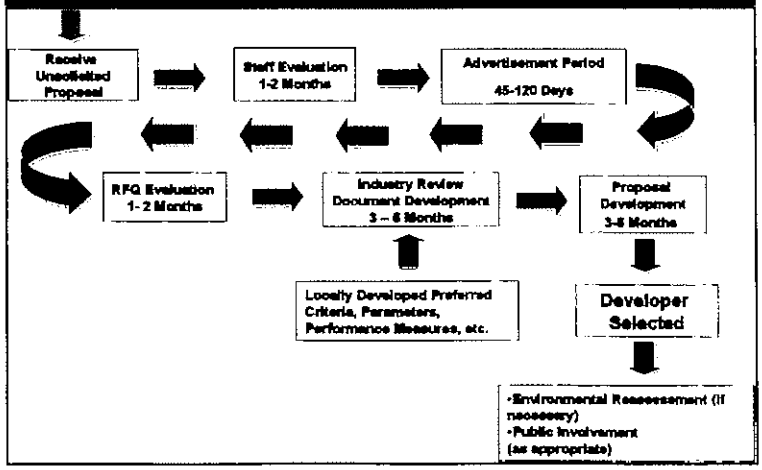
The proposer is a consortium of very established construction, design, environmental and finance firms. Based on these facts, it is very likely that this proposer or an equivalent competitor could deliver what is proposed.

Evaluation of the Alternate Plan

Figure 4 shows the evaluation time line for CDA proposal. The time from receipt to selection can vary from 9 months to 20 months. Since the process started on April 27, the estimated completion of evaluation is January 2006 to December 2006.

Through this process there is competition

Figure 4 – CDA Time Line



and the opportunity to control design and revenue to owner specified parameters. Of course, any change from what the proposer has developed could have a cost to the owner. All these elements would be subject to negotiation with the selected developer or as the detailed proposal document is developed.

Options and Choices

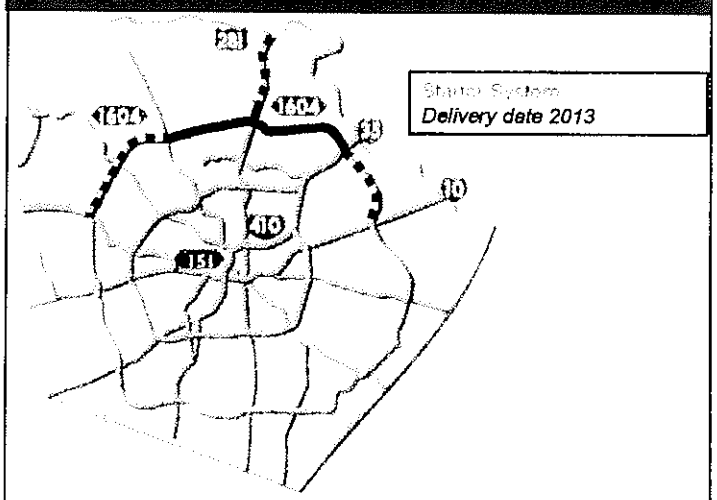
With this May 2005 analysis there are a myriad of options and choices for the implementation of mobility improvements in the region. Table 7 - Options and Choices describes three of these.

Table 7 – Options and Choices

	ALTERNATES	DELIVERY DATE OF STARTER SYSTEM	DELIVERY DATE OF EXTENSIONS	TAX DOLLAR COST TO IMPLEMENT	TAX DOLLARS AVAILABLE FOR OTHER PROJECTS
				(IN MILLIONS)	
1	Construct Starter System and Extensions as planned (see Figure 4)	2013	Post 2022	$630 +	0
2	Re-Design or Re-Scope Starter System to reduce costs or increase revenue	Post 2013	TBD	TBD	TBD
3	Pursue CDA concession	Prior to 2013	2016	$20 *	$610

* Estimated cost to develop and negotiate CDA proposals (1.5% of project value)

Figure 5 – Alternate 1



Note: It will have to be determined which (if any) Extension can be built as planned. (example: US 281 North Extension may be viable ueing tax and bond funding available in MPOs MTP)

Alternate 3 – Possible Implementation

If it is in the best interest of the region to recommend that a CDA concession agreement be pursued for the LP 1604 and US 281 toll network. The following action steps should be immediately implemented:

- TxDOT accept the CDA unsolicited proposal
- TxDOT should proceed to construction on US 281 North and suspend design on the remaining projects.
- TxDOT should solicit competing proposals and pursue selection of a developer
- AlamoRMA should draft a tactical plan for cash flow to fund their operations
- AlamoRMA should develop a Memorandum of Understanding (MOU) with TxDOT on the CDA provisions, including consideration of the following:
  - Cash flow for AlamoRMA
  - Regional congestion relief impacts
  - Design meets AASHTO standards
  - Timeline impacts should environmental reassessment be necessary
  - Methodology for establishing toll rates
  - Control of possible ancillary leases
  - Ensure ownership of facility remains with public entity
  - Accountability to meet negotiated schedules
  - Adequate reserve to ensure level of service/performance for congestion/maintenance
  - Ensure expandability to meet future needs
  - Independent audit
  - Allocation of risk to private entity
- TxDOT should oversee construction of the projects within the CDA
- AlamoRMA should receive any transfer of assets, franchise/concession fee or any negotiated share of excess revenues
- AlamoRMA should assume ownership of any assets as per the negotiated term within the concession

- AlamoRMA should work with TxDOT and MPO to develop an equity plan for immediate re-investment of tax dollars formerly dedicated to the LP 1604 and US 281 projects to other needed mobility projects in the region.

- AlamoRMA should draft a long range MOU with MPO and TxDOT on project development and equity management

Table 8 - Proposed Alternate Financial Plan proposes how the tax dollars allocated to the Starter System and Extensions could be re-allocated within the region.

Table 8 – Proposed Alternate 3 Financial Plan

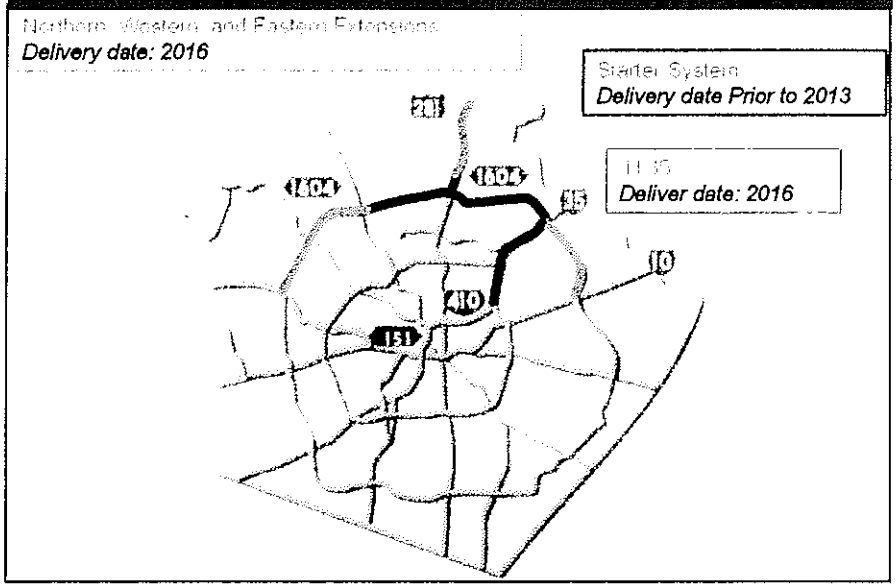
PROJECT	TASK	ESTIMATED REQUIRED TAX FUNDS (IN MILLIONS)	AGENCY TO WHICH FUNDS ARE ALLOCATED	ESTIMATED DATE
Starter System	Let US 281 project to construction	$79	TxDOT	Sep-05
Starter System and Extensions	Receive approval to solicit competing proposals	$0 (In-kind)*	TxDOT	Jul-05
Starter System and Extensions	Alter CDA proposal to fit RMA needs post construction and select best value proposer	$50	TxDOT	Oct-06
I-35 from LP 1604 to I-410 South	Approval of toll equity grant to develop preliminary plans for toll express lanes	$21	RMA	Jul-05
I-35 from LP 1604 to I-410 South	Develop detailed plans or solicit CDA for express toll lanes	$60	RMA	Nov-06
I-35 from LP 1604 to I-410 South	Initiate construction of express toll lanes from LP 1604 to I-410 South	$420 (See Figure 2 - rounded from $417)	RMA	Nov-08
Sub-Total		$630		
Other Projects **	TBD	TBD	TBD	Aug-08

* Estimated at $20 million

** Other projects can be realized from concession fees or asset transfer to CDA. Assets include design plans, traffic studies, and a completed US 281 project. Amounts will be determined through negotiations.

Figure 6 shows the possible toll network implementation based upon Alternate 3.

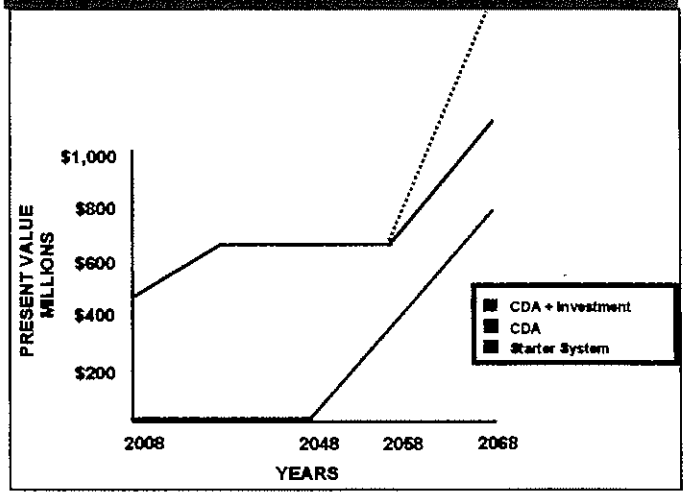
Figure 6 – Alternate 3 (Conservative Assumption)



Present Value Analysis

An analysis of the Present Value (PV) of the Starter System and CDA scenarios is presented in the following discussion in order to compare the benefits of each financial investment. A graphical representation is depicted in Figure 7.

Figure 7 – Future Cash Flow in Today's Dollars



Starter System Present Value Analysis

The Starter System, as presented in Table 4 and 5, uses the entire $449 million tax dollars and $310 million bonding capacity to support its implementation. Toll revenue bonds have a typical debt service term of 40 years. Therefore, the PV for the first 40 years is zero. Surplus revenues would begin generating in year 40 (or 2048).

The preliminary investment study reflects that surplus revenues between years 40 and 50 (2048 to 2058) yields an estimated net PV of $400 million based upon an annual 3.5% average inflation rate. Surplus revenues between years 50 and 60 (2058 to 2068) yields a net PV estimated at $800 million.

CDA Present Value Analysis

The analysis of the CDA proposal assumes there is not any tax dollars required to construct the Starter System plus the Extensions. As a result, the PV in year 1 (2008) is $429 million (tax dollars dedicated to the Starter System less the $20 million for CDA procurement) and another $181 million becomes available in 2015 (tax dollars dedicated to the Extensions. Assuming a 50 year concession term, surplus revenues would begin to generate in 2058. Surplus revenues, etc. between years 50 and 60 (2058 to 2068) yields a net PV estimate of $1.3 billion.

CDA + Investment Present Value Analysis

As discussed in the above CDA PV Analysis, there is approximately $610 million tax dollars available for reinvestment in the first several years. One scenario for reinvestment, described in Table 9, could accelerate the delivery of the I-35 project from LP 1604 to I-410 South by more than ten years. By reinvesting the $610 million into the I-35 corridor, the asset delivery could occur as soon as 2016. Assuming a 40-year debt service term, surplus revenues from I-35 could begin generating in 2056 (which is about the same time that the proposed concession term for the Starter System and Extensions might end). The resultant surplus revenues, etc. between years 2058 to 2068 of the CDA +INVESTMENT could yield an estimated net PV of $1.7 billion.

In general, investment in mobility has a four to six benefit to cost ratio as measured by productivity and other factors in the economy. Table 8 compares the benefits between the Starter System and CDA + INVESTMENT scenarios. The Starter System scenario translates into 22 miles of additional mobility capacity and a $3.2 to $4.8 billion positive impact to the local economy. The CDA + INVESTEMENT translates into 53 miles of added mobility capacity and a $6.8 to $10.2 billion positive impact to the local economy.

Table 9– Net Present Value Analysis Summary (Starter Toll System vs. CDA)

ALTERNATE	NET PRESENT VALUE OF AVAILABLE FUNDS	MILES OF MOBILITY ADDED/POSITIVE IMPACT TO LOCAL ECONOMY (IN BILLIONS) WITHIN 10 YEARS	DOLLARS AVAILABLE FOR ADDITIONAL MOBILITY PROJECTS IN 10-YEAR HORIZON AND TO SUPPORT RMA OPERATIONAL COSTS	CASH AVAILABLE TO FUND RMA PROJECT DEVELOPMENT IN 10-YEAR HORIZON	DATE OF DELIVERY
CONTINUE TO DEVELOP STARTER SYSTEM	40 YR - $0 50 YR - $400 M 60 YR - $800 M	22 miles $3.2 B to $4.8 B	$0	$0	Starter System - 2013 Extensions - Post 2022 I-35 - Post 2025
IMPLEMENT CDA AND REINVEST TAX DOLLARS INTO OTHER MOBILITY PROJECTS	40 YR - $600 M 50 YR - $800 M 60 YR - $1700 M	53 miles $6.8 B to $10.2B	* $70 - $150 M	** $91 M	Starter System - 2013 Extensions - 2018 I-35 - 2016

* Potential concession fee conservative estimates based upon value of work (asset) to date

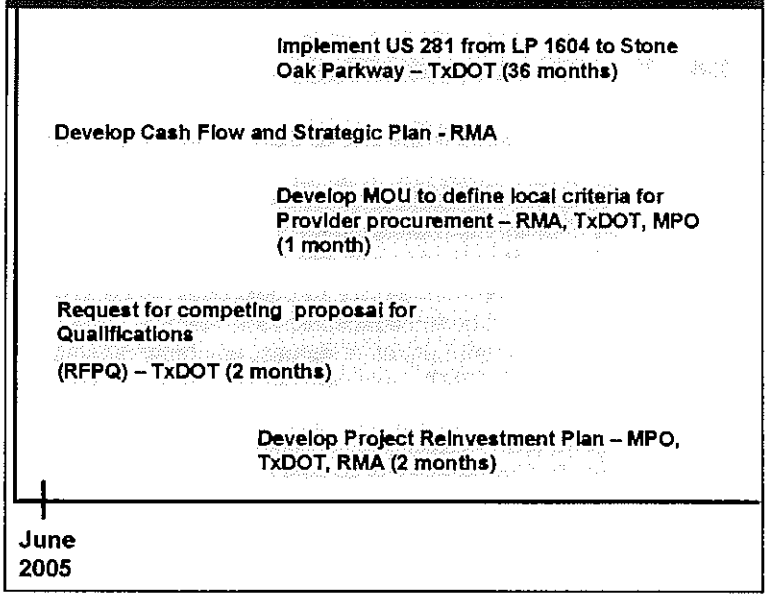
** See Table 8

Workplan for AlamoRMA -TxDOT - MPO Joint Committee

The timeline depicted in Figure 8 outlines several critical action items that could be implemented concurrently in order to keep the overall project delivery process moving forward expeditiously, if alternate 3 was implemented.

Because the design engineering on the US 281 project from LP 1604 to Stone Oak Parkway is complete, this project should be let to construction in September 2005. This project as well as work completed on other components of the Starter System can be considered as assets for negotiation should a CDA option prevail.

Figure 8 – Workplan for AlamoRMA – TxDOT Proposal



The Joint Committee could immediately begin developing locally preferred criteria, parameters, performance measures, etc. to guide the CDA competing proposal development (as depicted in Figure 4). This effort will ensure that should a preferred developer be selected, the Starter System and Extensions would be developed with local controls.

The AlamoRMA should develop a refined financial analysis of project delivery alternatives as well as cash flow information in order to facilitate negotiation parameters. These action items, as mentioned previously, could begin immediately and concurrently while initiating the CDA procurement process to solicit other qualified developers that would bring more innovation, competition and financial solutions to the table.

Focus

"The state can't just turn over its legal responsibilities to a local entity. That's turning the state constitution on its head."

Richard Monroe, General Counsel to the State of Texas Transportation Department
Texas Transportation Commission Meeting, June 30th, 2005

Dear Alamo RMA Board Members:

Judge Wolff, Jim Reed, Tom Griebel and I attended the June 30th meeting of the Texas Department of Transportation. Our goal was to make clear our desire to have all decisions about tolling projects in Bexar County be made at the local level by the Alamo RMA. The commission, by vote and statements from the dais, made it quite clear that they were going to proceed and consider the CDA process theirs to manage and that they will make the decision.

Our community, through the County Judge, the City Council, and our board resolution, has clearly indicated that we want local control over these decisions affecting our roads. April 25th, 2005, the County Judge, the Mayor of the City of San Antonio, and I sent a letter to Chairman Williamson stating that we wanted local control over the approval/disapproval process. Mayor Hardberger also agrees with our position.

TxDOT is making it quite clear that they do not wish to place us in a leadership role or give us approval/disapproval power. Further efforts on our part to insert ourselves or gain control of the process are only creating friction and discomfort between TxDOT and our RMA. That isn't good for anyone.

I feel we should allow TxDOT to manage the process as they desire without any interference from us. We do not want to be an additional level of bureaucracy between the state and the local levels of TxDOT. However, if requested to assist, we shall be helpful and cooperative. At the same time, we shall continue along our original pathway and simply wait until TxDOT makes a decision of just what they want to do regarding the CDA.

TxDOT shall have the full responsibility for the evaluation/negotiation process – and be accountable for the results obtained. We shall not seek to participate in the evaluation/negotiation process – but if requested to do so, we shall be cooperative. If TxDOT negotiates a great deal for our community, congratulations will go completely to TxDOT. If there are problems along the way or at the end of the process when we learn exactly what TxDOT negotiated

on our behalf, we need to allow TxDOT to deal with that without people confusing our RMA with what TxDOT has done.

If TxDOT decides to accept the CDA, we will learn of their decision at the end of their process which will be within 6 to 12 months. Our task at that time will be to learn of the details and determine what role, if any, remains for our RMA. If the department decides not to award a CDA, then we will be ready to move forward with the original proposal.

So, rather than seeking to participate in the CDA process being conducted by TxDOT in which we have no vote and creating further tension and friction between our RMA and TxDOT, I am suggesting the following for consideration. I recommend that our RMA continue to focus completely on the original project with its promises, obligations and responsibilities – but follow with interest the progress of the TxDOT led CDA evaluation process. Our RMA will stay in place and will continue its work on the original project as planned and promised.

Alamo Regional Mobility Authority

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A RESOLUTION REGARDING THE SOLICITION OR ACCEPTANCE BY TxDOT OF A COMPREHENSIVE DEVELOPMENT AGREEMENT PROPOSAL FOR PROJECTS LOCATED WITHIN A REGIONAL MOBILITY AUTHORITY SERVICE AREA

WHEREAS, the enactment of House Bill 3588 during the 78th Legislative Session created enhanced opportunities for regions of the State to participate in transportation infrastructure improvements under local control and with the support and cooperation of the Texas Department of Transportation ("TxDOT"); and

WHEREAS, TxDOT encouraged regions of the State to identify potential projects for development through a regional mobility authority and to seek approval of the Texas Transportation Commission to form regional mobility authorities ("RMAs"); and

WHEREAS, the Bexar County Commissioners Court, the City of San Antonio, and other local organizations and community leaders, working in conjunction with TxDOT, identified a network of roadways (the "Toll Road Network") that could be developed through an RMA in a manner that would accelerate project delivery and provide financial support for additional projects in the region; and

WHEREAS, with the encouragement of TxDOT and the Texas Transportation Commission, the Bexar County Commissioners Court petitioned to form the AlamoRMA (f/k/a Bexar County RMA); and

WHEREAS, the petition for the AlamoRMA was approved by the Texas Transportation Commission (TTC) on December 18, 2003, and the authority held its initial board meeting on April 13, 2004; and

WHEREAS, Bexar County and the City of San Antonio have committed to lending $1.2 million to the AlamoRMA to assist with startup funding and are expected to loan additional funds until the AlamoRMA becomes self sustaining; and

WHEREAS, the AlamoRMA Board of Directors has proceeded diligently with hiring of staff and obtaining the expertise and resources necessary to operate the organization and move quickly towards developing the Toll Road Network in conjunction with TxDOT; and

WHEREAS, AlamoRMA board members and staff recently learned that an unsolicited proposal had been, or will be received by TxDOT proposing private development, operation, and financing of a significant portion of the Toll Road Network including the Starter System and the planned extensions on Loop 1604 and US 281 through a comprehensive development agreement ("CDA"); and

WHEREAS, development of the Starter System and the planned extensions on Loop 1604 and US 281 through a CDA with TxDOT would significantly diminish the role for the AlamoRMA and

would shift to private entities the revenue stream from the Starter Toll System which is anticipated to support the initial AlamoRMA bond issuance and the generation of additional financial resources to invest in the region under local control; and

WHEREAS, such result would conflict with the purpose for which the AlamoRMA was formed and upon which Bexar County and the City of San Antonio pledged their support for the AlamoRMA and its operations; and

WHEREAS, the Board of Directors of the AlamoRMA desires to communicate to TxDOT the policy and financial concerns posed by the practice of TxDOT soliciting or accepting CDA's covering RMA projects;

NOW THEREFORE, BE IT RESOLVED, that the AlamoRMA Board of Directors requests that the Texas Transportation Commission and the Texas Department of Transportation adopt a policy that would require all Comprehensive Development Agreement proposals for toll projects located within the AlamoRMA service area be submitted to and considered for final approval by the AlamoRMA.

Adopted by the Board of Directors of the Alamo Regional Mobility Authority on the 28th day of April, 2005.

Bill Thornton, Chairman
Alamo Regional Mobility Authority

April 25, 2005

Mr. Ric Williamson, Chair
Texas Transportation Commission
125 East 11th Street
Austin, TX 78701-2483

Dear Chairman Williamson:

We very much appreciate the cooperation extended to this community in recent years by the Texas Transportation Commission and its state and district level staffs. With TXDOT's guidance and assistance, our community has used every available means to fund needed transportation infrastructure improvements. These measures include:

- November 2003 voter approval to issue more than $69 million in City of San Antonio and Bexar County bonds for local road construction;
- November 2004 voter approval to create an Advanced Transportation District funded by a sales tax, a quarter of which will generate $8.5 million per year to leverage state and federal funds;
- Approval of new Metropolitan Planning Organization policy to set aside 25% of its Surface Transportation Program-Metropolitan Mobility funds, which will generate an additional $5.5 million dollars annually for further state and federal fund leveraging;
- Formation of Bexar County/TXDOT partnership to secure a $2.7 million dollar State Infrastructure Bank loan to build needed road improvements in the vicinity of the new Toyota plant; and
- Formation of the San Antonio Mobility Coalition to help raise the community's awareness of the importance of transportation planning and financing.

We are justly proud of this progress and are thankful for your and the Commission's help in these efforts.

We, too, are proud and thankful for your and the Commission's help and encouragement in the creation of the Alamo Regional Mobility Authority (ARMA) which met for the first time on April 13th of last year. We believe it is important to note that formation of the ARMA was accomplished without the public discord other communities have experienced. Much of this can be attributed to the professionalism of those serving and staffing the ARMA. But we also think the community understood and appreciated that formation of an RMA would:

- Provide "enhanced local control over projects"*; and
- Allow the County to "utilize surplus revenue that is generated on the toll road network through the RMA for developing other transportation projects ..." *

* Petition Of Bexar County For Authorization To Form A Regional Mobility Authority

Citizens also understood and appreciated that Bexar County had placed limits on potential RMA projects saying in a resolution of support that its "general support for RMA's and toll projects does not extend to the conversion of existing state highway lanes within Bexar County, State Highway 151, or Loop 1604 from State Highway 90 to FM 471 to toll facilities." [A Resolution Supporting The Creation of the Bexar County Regional Mobility Authority]

This prospect of local control and these restrictions were crucial to the local acceptance, and Commissioner Court approval, for the formation of the ARMA.

Commissioners Court received additional comfort in its decision both from TXDOT's identification of a viable "starter" toll system project for the ARMA to implement, and TXDOT's commitment to "carry much of the burden for developing the starter system since the newly created BCRMA has limited resources". As Mr. Casteel further stated in this letter, "the starter toll system ... provides the financial engine needed to accelerate projects and build the remaining toll network piece by piece as finances allow." [June 8, 2004 letter to Judge Wolff from District Engineer David Casteel]

In reliance of these statements, Bexar County and the ARMA have acted in good faith to advance this project. For its part, Bexar County and the City of San Antonio have authorized more than $1.2 million dollars for ARMA administrative costs and the County has committed to provide additional administrative funding as requested until the ARMA takes a project to funding. The ARMA has acted in good faith by using this money to develop policies and procedures and hire necessary staff to take on the responsibility of developing and operating the starter toll system. The ARMA also has requested and the Commission provided initial approval for a $13 million dollar Advanced Toll Equity grant to develop the western extension of the starter system on Loop 1604.

We now have learned that TXDOT may be entertaining the prospect of considering a Comprehensive Development Agreement (CDA) to have a private entity, and not the ARMA, construct, operate and maintain the Bexar County starter toll system and planned extensions on Loop 1604 and U.S. 281.

We cannot speak to the merits of TXDOT accepting this CDA submission, but we ask should such a submission be made, it would be best if referred to and considered for final approval by the ARMA. Current law allows an RMA to enter into a CDA subject to certain procedural requirements, including payment of a non-refundable fee and a provision authorizing an RMA to purchase the interest in a project of any private equity investor. Submission of the CDA to the ARMA would allow promised local control to be maintained.

With existing traffic congestion costing our community $475 million per year in lost time and fuel consumption, we need to focus on implementing plans and ideas that will allow the funding and construction of new road capacity in the shortest timeframe possible. We had hoped that our community, in creating the ARMA and having the ARMA operate a financially viable starter toll system identified by TXDOT, had placed itself on a clear path to rely less on the State of Texas to provide for our transportation funding needs. This unsolicited CDA submission makes this path to financial independence much less clear. The path additionally is obscured by current TXDOT policies which appear to be in conflict -- encouraging the development of unsolicited CDA proposals by private entities while at the same time helping publicly formed RMAs achieve financial independence. As uncertain as the ARMA's future may be, we are certain that no matter what the Commission decides on this particular issue, our community will continue to seek out the Commission's guidance and partnership to meet our community's mobility needs. We would appreciate your earliest response.

Sincerely yours,

Nelson W. Wolff
Bexar County Judge

Dr. William E. Thornton
Chair, Alamo Regional Mobility Authority

Ed Garza
Mayor, City of San Antonio

NWW/shm:tg

CC: Texas Transportation Commission
Michael Behrens, P.E., TXDOT Executive Director
David Casteel, P.E., TXDOT – SAT District Engineer
Bexar County Commissioners Court
Alamo Regional Mobility Authority Board