

Alamo Regional Mobility Authority

*Meeting June 11, 2008, 12:00p.m.,
in the VIA Community Room at 800 W Myrtle
San Antonio, Texas 78212*

Minutes

1. **Call meeting to order.** Chairman Thornton called the meeting to order at 12:00 p.m. All Board members with the exception of R. Diaz were present.

2. **Approval of the Minutes of the May 14, 2008 Board of Directors meeting.**

B. Thompson made the motion to approve the minutes as presented. J. Reed seconded. Motion approved by a 6-0 vote.

3. **Public Hearing:**

Chairman Thornton called the public hearing to order at 1:02 p.m. Chairman Thornton asked T. Brechtel, Executive Director, to present the formal presentation as part of the public hearing.

T. Brechtel introduced L. Alloway, Director of Community Relations for the Alamo RMA.

L. Alloway opened presentation to the Board by highlighting the reasons for the public hearing, outlining the noticing requirements which were met for the public hearing, and all required information relating to the proposed design build comprehensive development agreement for the 281 North Project. L. Alloway also informed the Board that the design build contract had been posted on the Alamo RMA website and copies were available for public review during the public hearing. L. Alloway ended the presentation by providing the Board and public all contact information to submit additional comments until June 18, 2008, in accordance with the legal notice of the public hearing. A copy of the presentation as presented is on file with these minutes.

Citizens to be heard

Citizen, Elvis Ruiz, Encino Rio Homeowners Association President, stated that the current plans for the access road passing the Encino Rio subdivision is dangerous and will cause problems for the people who live there. He stated that the people of Encino Rio would like changes made to the plan to include a designated right turn lane into Encino Rio, a 2 lane over or underpass, and to include dedicated acceleration and deceleration lanes.

Citizen, Richard Perez, President of the San Antonio Greater Chamber of Commerce, stated that the project has been studied a lot, and the need for it is so great, that if the project isn't done, then it would be doing the community a great disservice. He stated the project offers drivers a choice and that it should move forward.

Citizen, Terri Hall, Regional director for the Texas Toll Party, commented on the meeting time, asked why the Public Hearing was done during the day, and then stated that the hearing doesn't seek input. Mrs. Hall stated that the project should have been started in 2003 for free, and that the gas tax more then covers the cost of the 281 overpasses. Mrs. Hall also stated that the Board hasn't revealed everything about the deal.

Citizen, Vic Boyer, Executive Director for SAMCo, stated that the study has been going on for far too long and it needs to move forward.

Citizen, Nikki Khuns, stated that the meeting was held at a bad time, that there was no parking at the VIA Facility. Ms. Khuns stated that she was against the project, and that the original project with just the overpasses needs to be put back into place. Ms. Khuns stated that the project will not serve the public. She stated that gas is too expensive and that other toll roads have failed.

Citizen, Jeff Webster, stated that he lives on the North side and believes that this project will give him extra time with his family, and will move traffic out of neighborhoods. Mr. Webster also stated that those people that are in favor of the project don't come to speak. Mr. Webster closed his remarks by telling the Board to "Just do it".

Citizen, Mel Borell, Canyon Springs resident, address the Board on his opinion against the project.

Citizen, David Murray, San Antonio resident, addressed the Board on his opinion against the project.

Citizen, Duane Wilson, North San Antonio Chamber of Commerce President and CEO, stated to the Board that the North Chamber has passed a resolution supporting the 281 North Toll project. He further stated to the Board that he is proud of the Alamo RMA for keeping the project a San Antonio project so that the money stays local. Mr. Wilson also stated that the project is a great thing for San Antonio and that he hopes that San Antonio has seen the last delay for the project.

Citizen, Wade McGinnis, of the Real Estate Council of San Antonio, stated to the Board that he believes the 281 project is a creative solution for motorist problems in that area and that it will be good for San Antonio as it will be a locally owned and operated project.

Citizen, Mike Wichman, Woods of Shavano resident, addressed the Board on his opinion of the project and asked why San Antonio doesn't have some sort of commuter system such as Bus Rapid Transit, or Light Rail.

Citizen, Phil Canter, San Antonio resident, addressed the Board on his opinion against the project.

Citizen, Kyle Burns, Encino Park homeowner, addressed the Board on his safety concerns with regards to eliminating a light at Encino Rio.

Citizen, Patrick Dowsey, San Antonio resident, addressed the Board on his opinion against the project.

Citizen, Henry White, Comal County resident, addressed the Board on his opinion against the project.

Chairman Thornton, seeing no other persons wanting to speak on this subject, closed the Public Hearing at 2:30. Chairman Thornton reminded those present that the Alamo RMA, in accordance with state law, would answer responses to questions and comments received during the public hearing and that the responses would be posted on the Alamo RMA website on July 1, 2008.

4. **Discussion and appropriate action on approval of the final terms of the 281 North Design Build Comprehensive Development Agreement between the Alamo RMA and Cibolo Creek Infrastructure, Joint Venture.** T. Brechtel introduced P. Irwin, Director of Engineering and Operations for the Alamo RMA. P. Irwin updated the Board on the process completion up to date. P. Irwin stated that the key among the terms in the contract are guaranteed maximum price, guaranteed schedule, and DBE requirements.

The guaranteed maximum price \$328,469,406. Substantial completion after notice to proceed (NTP) is estimated to be 1325 days. Liquidated damages are to be \$10,000 a day if the interim milestone isn't reached and \$20,000 a day if substantial completion hasn't been reached by the allotted final completion timeframe. Early completion incentives are \$10,000 a day to a max of \$1,000,000 for both Interim and \$20,000 a day for Substantial Completion of the 281 North Project. There is a DBE requirement of 11.1% for both design and construction, with a minimum DBE design allocation of \$4.6 million.

J. Reed stated that the Planning Committee has reviewed the process, and final terms of the contract, and recommends the Board move forward with adoption of the terms as presented.

P. Irwin introduced Dan Stoppenhagen of Fluor to address the Board on the contract. Board discussion ensued along with an introduction of team members present in the audience during the public hearing.

J. Reed made the motion to adopt the Design Build Comprehensive Development Agreement as presented to the Board. R. Thompson seconded. Motion carried by a 6-0 vote.

5. **Discussion and appropriate action on approval of the terms of a financial assistance agreement with the Texas Department of Transportation for a grant of \$19,800,000.** T. Brechtel stated to the Board that on May 29, 2008, the Texas Transportation Commission approved a minute order authorizing a grant of \$19,800,000 to the Alamo RMA for use on the 281 North project. T. Brechtel stated that prior Board actions on this item have formally requested the grant, and allowed for negotiation of the terms but did not authorize acceptance of the funding without additional Board action to approve the amount and terms. T. Brechtel stated that in order to execute the terms of the financial agreement, the Board needs to authorize the Executive Director to sign and execute the agreement for the grant.

H. Muñoz made the motion to adopt the terms of the financial assistance presented to the Board. J. Reed seconded. Motion carried by a 6-0 vote.

6. **Discussion and appropriate action on ratification of a request for a preliminary investment grade rating letter and related expenses from Moody's Investor Service.** T. Brechtel introduced M. Nitschke, Chief Financial Officer for the Alamo RMA. M. Nitschke stated that as part of the required application for the Transportation Infrastructure Finance and Innovation Act (TIFIA), the Alamo RMA must secure an indicative letter from a rating agency certifying that the bonds to be issued would be, in the agency's judgment, able to obtain a minimum investment grade rating. M. Nitschke stated that the Alamo RMA has approached Moody's Investor Services to provide the letter. Board approval of this item would ratify the expenditure of approximately \$65,000 for Moody's to review the financial plan of the Alamo RMA and provide the initial indicative letter of investment grade standing, which will then allow for the TIFIA application to be processed.

H. Muñoz made the motion to adopt the resolution presented to the Board. R. Thompson seconded. Motion carried by a 6-0 vote.

7. **Discussion and appropriate action on an application for pass-through financing from the Texas Department of Transportation to provide a portion of the funding for the 281 North project.** T. Brechtel introduced M. Nitschke, Chief Financial Officer of the Alamo RMA. M. Nitschke presented the application for pass through financing. M. Nitschke went over the sources of funding, and the timeline for the 281 North project financing. M. Nitschke also highlighted the amount of non toll costs related to the project, including the construction of all non toll lanes.

H. Muñoz made the motion to adopt the resolution as presented to the Board. M. C. Rodriguez seconded. Motion carried by a 6-0 vote.

8. **Discussion and appropriate action on a request for \$92,400,000 from Texas Mobility Funds, being the remainder of previously allocated public equity, to the Texas Department of Transportation for the 281 North project.** T. Brechtel introduced M. Nitschke, Chief Financial Officer for the Alamo RMA. M. Nitschke stated to the Board that in May 2008, the Texas Transportation Commission authorized a grant of \$19,800,000 from the Texas Mobility Funds to the Alamo RMA, representing the first allocation of public equity under the San Antonio Bexar County MPO financial plans. M. Nitschke stated the resolution presented to the Board would formally request the Texas Transportation Commission to approve, in equal payments of \$46.2 million annually, the remainder of the public equity in Fiscal Year 2009 and Fiscal Year 2010.

H. Muñoz made the motion to adopt the resolution as presented to the Board. J. Jenkins seconded. Motion carried by a 6-0 vote.

9. **Discussion and appropriate action on selection of a co-senior manager for the Alamo RMA 2008 Toll Revenue Bond issuance.** T. Brechtel stated to the Board that in May 2008, UBS provided notice to the Alamo RMA that they would no longer be involved with municipal and government bond markets. As part of prior Board action, the Board had approved UBS to serve a co-senior manager for the 2008 Revenue Bond Issuance. T. Brechtel stated that the Alamo RMA staff recommends Goldman Sachs & Company, a previously qualified member of the Alamo RMA Investment Pool, to serve as co-senior manager for the 2008 Toll Revenue Bond Issuance.

H. Muñoz stated that he had met with Goldman Sachs and feels very confident that Goldman Sachs will help the RMA in getting the project financed.

Richard Ramirez of Goldman Sachs thanked the Board, and stated that he looks forward to working with the RMA Board and staff to get this financing on its way.

H. Muñoz made the motion to adopt the resolution presented to the Board. M.C. Rodriguez seconded. Motion carried by a 6-0 vote.

10. **Discussion and appropriate action on the financial statements for the period ending May31, 2008.** M. Nitschke presented the financial statements for period ending May 31, 2008. He stated to the Board that there was no change from the previous month's statement.

R. Thompson made the motion to accept the financial statements as presented. J. Jenkins seconded. Motion carried by a 6-0 vote.

11. **Citizens to be heard.** No citizens signed up to speak on this item.
12. **Presentation/briefing - Executive Director Report.** No items were discussed.
13. **Executive Session.** Chairman Thornton adjourned the meeting at 12:03 p.m. for an Executive Session. Chairman Thornton stated that Pursuant to Chapter 551, Subchapter D, Subsection 551.071(1) of the Texas Government Code, the Board would be meeting in Executive Session to Consult with Attorney concerning pending/contemplated litigation on the 281 North Toll project.

Chairman Thornton reconvened the meeting at 12:40 p.m. Chairman Thornton stated that the board was briefed by legal counsel and no formal action was taken.

There being no further business to come before the board, Chairman Thornton adjourned the meeting at 2:45 p.m.

APPROVED:

DR. WILLIAM E. THORNTON, CHAIRMAN

DATE ADOPTED: 7/22/2008

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 meeting on June 11, 2008.

ATTEST: _____
REYNALDO L. DIAZ, JR
SECRETARY/TREASURER