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TEXAS DEPARTMENT OF TRANSPORTATION
FINANCIAL PUBLIC HEARING
IH-35E MANAGED LANE PROJECT
FROM IH-635 TO U.S. 380

TUESDAY, JANUARY 15, 2013

6:00 PM

DALLAS COUNTY HEALTH AND HUMAN SERVICES
2377 NORTH STEMMONS FREEWAY
ROOM 627
DALLAS, TEXAS

BE IT REMEMBERED THAT on Tuesday, the 15th day of
January, 2013, the above entitled came on for public
hearing at the Dallas County Health and Human Services,
2377 North Stemmons Freeway, Room 627, City of Dallas,
County of Dallas, State of Texas, and the following
public hearing was had, to wit:

ORIGINAL

A P P E A R A N C E S

PRESENTER:

Randy Redmond, P.E.

TxDOT STAFF:

Bill Hale, P.E., District Engineer

Donna Huerta, Lisa Walzl, Keith Sliger, John Hudspeth,

Varuna Singh

Also present:

Peter Braster, City of Carrollton

Hamid Baha, Dallas County

1 (January 15, 2013; 6:00 p.m.)

2 MR. REDMOND: It's now about 6 o'clock.
3 I'd like to convene the public hearing concerning the
4 disclosure of financial information regarding a
5 design-build agreement for the IH-35E Managed Lane
6 Project from IH-635 to U.S. 380.

7 Good evening and welcome to this public
8 hearing. My name is Randy Redmond. I'm the Director of
9 the D/FW Strategic Projects Office of the Texas
10 Department of Transportation; better known as TxDOT. On
11 behalf of the Department, I'd like to express our thanks
12 to everybody who is attending the public hearing. If
13 you did not sign in as you came in, please do so, so
14 that we can record your attendance here.

15 As for the agenda today, we will outline
16 the procedures for this hearing and provide an
17 introduction to the project. We'll also provide
18 financial information about the project.

19 A court reporter is available for anyone
20 wishing to make oral comments after the presentation is
21 completed. Written statements may be prepared and
22 submitted tonight. They will also be accepted until
23 5:00 p.m. January 21st at the address located on the
24 back of the written statement form. This form is
25 located at the registration table. If you did not

1 receive one as you came in, please feel free to get one
2 after the hearing. You may also e-mail written comments
3 to the TxDOT Project Web page.

4 Now, we'd like to explain the process for
5 this project. The State and Federal Governments have
6 various laws, regulations and guidelines to outline the
7 processes whereby public awareness of project planning
8 can be assured. As part of our public involvement
9 process in the development of highway projects, we hold
10 public meetings and hearings as a matter of public
11 information for those people who are going to be
12 affected by a project and for those who have a need to
13 be aware.

14 This is a public hearing. We want to
15 emphasize the word "hearing" by explaining the
16 difference between a public meeting and a public hearing
17 for a transportation project. Meetings are informal in
18 nature, and there's a gathering of information or
19 exchange of information with questions being raised and
20 answered in dialogue in the course of the meeting.
21 Hearings are held to receive formal statements from the
22 public regarding the facets of the project that may be
23 of concern to an individual or group. All of the oral
24 or written statements received will be given careful
25 consideration in the final development of this project.

1 Before the Texas Department of
2 Transportation may enter into a contract for the
3 construction of this managed lane toll project, the
4 Comprehensive Development Agreement, the Department is
5 required to hold a public hearing concerning the
6 disclosure of financial information published pursuant
7 to Transportation Code Chapter 371, Subchapter D.

8 The purpose of this hearing is to disclose
9 and provide an opportunity for public comment on the
10 financial information for this project. A notice of
11 this hearing has been published in various newspapers.
12 A public hearing will provide a record of public
13 participation, a written Summary and Analysis, including
14 responses to comments, along with a verbatim copy of the
15 public hearing transcript, will be posted and available
16 for viewing on TxDOT's Web site and made available upon
17 request.

18 Public involvement process related to
19 advanced project development and environmental clearance
20 is a separate process providing information different
21 from what would be presented at the public hearing
22 tonight. FHWA environmental clearance for this project
23 has already been received.

24 The IH-35 Managed Lane Project extends from
25 Interstate Highway 635 in Dallas County to U.S. 380 in

1 Denton County. The project is dedicated to improving
2 mobility through a regional supported managed lane
3 system and partnership with corridor communities,
4 roadway users and other interested parties.

5 This project is the first phase of a
6 multiphase program to relieve traffic congestion along
7 the corridor. The reason for the phase approach is
8 funding constraints. The purpose of this project is to
9 add the much-needed capacity while minimizing costs.
10 Future projects will continue to expand the facility
11 until the ultimate project, as approved in the
12 environmental schematic, is constructed. The project
13 includes an optional maintenance agreement with the
14 developer for managed lanes that can extend up to 15
15 years.

16 As I mentioned before, the purpose of the
17 project is to provide much needed additional capacity
18 along the corridor. The managed lanes are a tool that
19 will help manage traffic congestion and increase
20 mobility; not just on the managed lanes but on the
21 general purpose lanes as well. Portions of the project
22 will modify existing access to and from the frontage
23 roads in order to more efficiently move traffic around
24 interchanges. Lastly, this project will establish a
25 revenue stream which will be used to pay for future

1 improvements along the corridor.

2 This slide shows the typical sections for
3 the project. The project can generally be broken into
4 three different sections. From north of Interstate
5 Highway 635 to State Highway 121, two reversible managed
6 lanes will be constructed along the center of the
7 corridor. From State Highway 121 to Tuberville Road,
8 just north of Lake Lewisville, the project will add the
9 interim two reversible managed lanes and one additional
10 general purpose lane in each direction. A new bridge
11 will be constructed over Lake Lewisville to carry the
12 southbound general purpose lanes, the managed lanes and
13 the new frontage roads. The existing bridge will be
14 repurposed to carry the northbound general purpose
15 lanes, the new frontage road lanes. North of Tuberville
16 Road, only one additional general purpose lane will be
17 added in each direction.

18 This slide provides the ultimate typical
19 sections for the project. As you can see, the ultimate
20 project adds even more lanes and will therefore require
21 new additional right-of-way to construct. The ultimate
22 typical sections are a little more complex than the
23 typical sections for Phase 1 of the project. Generally,
24 there will be two managed lanes in each direction with
25 three to five general purpose lanes. There is a short

1 segment between U.S. 77 and IH-35W that will only have
2 one managed lane in each direction. Also, the ultimate
3 project will include a collector/distributor system
4 around the PGBT and SH 121 interchanges. The
5 collector/distributor system will reduce traffic weaving
6 currently associated with these two interchanges
7 allowing for a much more efficient and safe move in the
8 traffic.

9 The original environmental work for the
10 ultimate project broke the project up into three
11 segments; north, middle and south. FHWA has issued a
12 Finding Of No Significant Impact, or FONSI, for all
13 three segments. Currently, the middle and north
14 segments are undergoing an environmental re-evaluation
15 which is expected to be complete this month. It was
16 determined that a re-evaluation was not needed for the
17 south segment.

18 Environmental impacts from the interim
19 schematic would result in a reduction of impacts when
20 compared to the ultimate schematic. These impacts are
21 temporary and are generally due to a reduction of
22 proposed travel lanes and right-of-way. Ultimately, all
23 of the environmental impacts would occur as discussed in
24 the Environmental Assessment. The ultimate schematic
25 improvements would fulfill the original purpose and need

1 of the project.

2 The proposed process for this project had
3 began almost a year ago in January of 2012 when TxDOT
4 issued a Request For Qualifications, or a RFQ, for the
5 project. TxDOT received qualifications statements from
6 five developer teams, and on April 26th, TxDOT
7 short-listed four of the five teams to develop detailed
8 proposals on the project.

9 TxDOT issued a Request For Proposals, or
10 RFP, to these teams in July, and received proposals from
11 all four in November of last year. The best-value
12 proposer, AGL Constructors, with major equity members of
13 Archer Western Contractors, Granite Construction and
14 LANE Construction was announced last month by the Texas
15 Transportation Commission, and as I mentioned, TxDOT is
16 currently in negotiations with them. Their bid was
17 \$849 million; and also included a \$287 million bid for
18 additional scope that TxDOT requested if additional
19 funding becomes available. TxDOT can elect to add some
20 or all of this additional scope at its sole discretion.

21 This slide provides the names of all the
22 developer team members. As you can see, there will be
23 many companies involved in order to design and construct
24 this project. All of the funding for the project will
25 come from federal, state and local funding sources.

1 TxDOT has not and will not assume any debt to acquire,
2 design, construct, operate and maintain the project.

3 For the benefit of those who might not be
4 clear, this slide summarizes the differences between the
5 types of lanes which we are building in this project.
6 There are three types; frontage roads, general purpose
7 lanes and managed lanes.

8 Frontage roads are the non-tolled roads
9 that run alongside the highway and allow a driver to
10 enter and exit the highway and turn off onto other
11 roads. They serve local trips and there is no demand
12 management.

13 General purpose lanes or highway lanes,
14 which are not tolled, they are used to provide access to
15 major crossroads and serve subregional or corridor trips
16 with no demand management.

17 Managed lanes or tolled lanes. These are
18 proactively managed so that traffic flow is always at or
19 near the target speed.

20 We would like to provide some general
21 information regarding the managed lanes to help you
22 understand their expected benefits and operational
23 attributes. The managed lanes will include a set of
24 lanes where operational strategies, including pricing,
25 are proactively implemented and managed in response to

1 traffic conditions. These lanes will be managed on the
2 basis of time of day, vehicle type, occupancy and toll
3 pricing. The managed lanes are designed to provide
4 additional capacity, increased sufficiency, reduced
5 congestion, travel time reliability and operational
6 flexibility to respond to changing corridor needs.

7 The initial toll rates will be set by the
8 Texas Transportation Commission in accordance with the
9 Regional Managed Lane Policy established by the Regional
10 Transportation Council of the North Central Texas
11 Council of Governments. Even though, as I mentioned
12 earlier, there is no debt to repay for the project,
13 TxDOT will collect the tolls on the project. TxDOT will
14 also be responsible for operating the tolls and the toll
15 road.

16 The policies include but are not limited to
17 the following: The toll rate will be established to
18 maintain a minimum 50-mile-per-hour average managed lane
19 speed. The toll rate will be set up to a maximum of .75
20 cents per mile during the fixed schedule phase; that
21 will be within the first six months of operations.

22 After the first six months the toll rates
23 will be based on traffic demand. If traffic demand is
24 low such as during off-peak hours, a lower toll rate
25 will be charged. If traffic demand is high such as

1 during peak commute times, a higher toll rate will
2 apply.

3 Non-HOV vehicles will pay the full rate,
4 trucks will pay a higher rate, HOV vehicles and
5 publicly-operated van pools will pay the full rate in
6 off-peak periods. HOV vehicles and publicly-operated
7 van pools will receive a 50-percent discount during the
8 peak period. This discount will phase out after the
9 air-quality attainment maintenance period. Please go to
10 the Web site provided for complete details on the RTC
11 Managed Lane Policy.

12 Under anticipated operating conditions, the
13 estimated cost and tolls to travel per mile in today's
14 dollars, unadjusted for future inflation, are expected
15 to range from .09 cents to .63 cents in the opening
16 year. In the final year of the optional maintenance
17 period, the range is .17 cents to .77 cents. These
18 ranges reflect the need to manage the speed on managed
19 lanes at all times during the day.

20 There are no limitations on the
21 construction of competing facilities, and there are no
22 penalties associated with their construction. Anyone
23 including TxDOT can build any facility near the I-35E
24 project.

25 Pursuant to the contract that TxDOT is

1 negotiating with the AGL Constructors' team, TxDOT has a
2 right to terminate the contract at any time without
3 cause. However, if we decide to do that, TxDOT must pay
4 AGL Constructors for the design and construction work
5 already performed under the contract and the cost of
6 terminating subcontracts.

7 So what are our next steps? We must
8 negotiate the final contract with the developer. The
9 contract documents will then be sent to the Federal
10 Highway Administration. They will also be provided to
11 the Attorney General and the Legislative Budget Board
12 for review.

13 If you want more information about the
14 project, the contract documents, or the technical
15 drawings, please visit our Web site at www.txdot.gov,
16 and use the keyword I-35E, and it'll take you to all the
17 information we have available.

18 We would like to acknowledge elected
19 officials, which we have none, but I would like to
20 acknowledge our Dallas District Engineer joining us, Mr.
21 Bill Hale. So thank you, Bill, for coming.

22 The contact information developed -- or
23 contract information developed concerning this project
24 is available upon request for public review and copying
25 at the TxDOT District Office and on the TxDOT Web site.

1 We have also brought a copy of the contracts with us
2 tonight for your viewing after the hearing.

3 As a reminder, if you did not sign in when
4 you came in, please do so. This is for our records in
5 determining attendance at the hearing. TxDOT staff will
6 be available to assist you with the process. Please
7 submit any written comments to the front desk, a court
8 reporter will also be available to document oral
9 comments. Each oral statement provided tonight and each
10 written statement received on or before January 21st,
11 2013, will be responded to in writing in the Summary and
12 Analysis. The Summary and Analysis will be posted on
13 TxDOT's Web site and made available upon request when
14 completed.

15 On behalf of TxDOT, again, let me thank you
16 for coming and participating in this public hearing. It
17 is now about 6:25 p.m., and the formal portion of the
18 public hearing for the I-35E project has concluded. If
19 you want to stay and look at the contract, we'll have
20 people around to assist you. The court reporter is also
21 available to take your individual oral comments.

22 This hearing is adjourned. Thank you.

23 (Hearing concluded at 6:26 p.m.)

24 (No walk-up comments taken)

25

1 STATE OF TEXAS)
2 COUNTY OF DALLAS)
3

4 I, Carmel Martinez, Certified Shorthand Reporter in
5 and for the State of Texas, do hereby certify that the
6 facts as stated in the caption hereto are true and that
7 the foregoing 14 pages are a full, true, and correct and
8 complete transcript of the financial public hearing had
9 on the date and at the place set forth.

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GIVEN UNDER MY HAND AND SEAL of office on this
the 17th day of January, 2013.

Carmel Martinez

Carmel Martinez
CSR No. 8128 Expiration: 12/31/14
Steven H. Gentry & Associates, Inc.
Firm Registration No. 195
5115 North Galloway, Suite 202
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