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TEXAS DEPARTMENT OF TRANSPORTATION  
FINANCIAL PUBLIC HEARING  
IH-35E MANAGED LANE PROJECT  
FROM IH-635 TO U.S. 380  
THURSDAY, JANUARY 17, 2013  
6:00 P.M.  
DENTON CIVIC CENTER  
231 EAST MCKINNEY STREET  
DENTON, TEXAS

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BE IT REMEMBERED THAT on Thursday, the 17th day  
of January, 2013, the above entitled came on for public  
hearing at the Denton Civic Center, 231 East McKinney  
Street, City of Denton, County of Denton, State of Texas,  
and the following public hearing was had, to wit:

A P P E A R A N C E S

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2  
3 PRESENTER:

4  
5 Bill Hale, P.E., District Engineer  
6

7 TxDOT STAFF:

8  
9 Donna Huerta

10 Lisa Walzl

11 Keith Sliger

12 John Hudspeth

13 Varuna Singh  
14

15 ALSO PRESENT:

16  
17 Mary Horn, Mayor

18 Bobbie Mitchell, Commissioner  
19  
20  
21  
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1 (January 17, 2013, 6:18 p.m.)

2 MR. HALE: Okay. Everybody, we'll get this  
3 kicked off. It's 6:18. I want to get started with this  
4 public hearing.

5 I'm Bill Hale with the Texas Department of  
6 Transportation. I'm -- it's now 6:18 -- 6:19. I'd like  
7 to convene this public hearing concerning disclosure of  
8 the financial information regarding the Design-Build  
9 Agreement for the IH 35 Managed Lanes Project from I635  
10 to US 380.

11 Good evening. And welcome to this public  
12 hearing. I'm the district engineer of the Dallas  
13 District, Texas Transportation Department, commonly known  
14 as TxDOT. On behalf of the department, I'd like to  
15 express our thanks to everyone who is attending this  
16 public hearing. If you did not sign in as you came in,  
17 please do so, so that we can record your attendance here.

18 As for the agenda today, we will outline  
19 procedures for the hearing and provide an introduction to  
20 the project. We will also provide financial information  
21 for the project.

22 A court reporter is available for anyone  
23 wishing to make oral comments after the presentation is  
24 completed. Written statements will be prepared and  
25 submitted tonight. They will also be accepted until



1 5:00 p.m., January the 21st at the address located on the  
2 back of the written statement form that you have back at  
3 the back. This form is located at the registration  
4 table. If you did not receive one as you came in, please  
5 feel free to get one after the hearing. You may also  
6 e-mail written comments through the TxDOT project Web  
7 page.

8           Now we would -- I'd like to explain the  
9 process that we go through on the project. The State and  
10 federal governments have various laws, regulations and  
11 guidelines that outline the processes whereby public  
12 awareness of project planning can be assured. As part of  
13 our public-involved process developing highway projects,  
14 we hold public meetings and hearings as a matter of  
15 public information for those people who are going to be  
16 affected by a project and for those having need to be  
17 aware.

18           This is a public hearing. We want to  
19 emphasize the word "hearing" by explaining the difference  
20 between a public meeting and a public hearing for  
21 transportation projects. Meetings are informal in nature  
22 and there's a gathering of information or an exchange of  
23 information with questions being raised and answered in  
24 dialogue during the course of the meetings. Hearings are  
25 held to receive formal statements from the public

1 regarding facets of the project that may be of concern to  
2 an individual or group. All of the oral and written  
3 statements received will be given careful consideration  
4 in the final developments of the project.

5           Before the Texas Department of  
6 Transportation may enter into a contract for construction  
7 of this managed lane toll project through a comprehensive  
8 development agreement, the department is required to hold  
9 a public hearing concerning disclosure of financial  
10 information published pursuant to Transportation Code,  
11 Chapter 371, Subchapter D.

12           The purpose of this hearing is to disclose  
13 and provide an opportunity for public comment on the  
14 financial information for the project. A notice of this  
15 hearing has been published in various newspapers.

16           The public hearing will provide a record of  
17 public participation, a written summary and analysis,  
18 including written responses and comments along with a  
19 verbatim copy of the public hearing transcript will be  
20 posted and available for viewing on TxDOT's Web site and  
21 available upon request.

22           The public involvement process related to  
23 advanced project development and environmental clearance  
24 is a separate process providing information different  
25 from that -- what will be presented at the public hearing



1 tonight. FHWA environmental clearance for this project  
2 has already been received.

3           The IH 35 Managed Lane Project extends from  
4 IH 635 in Dallas County to US 380 in Denton County. The  
5 project is dedicated to improving mobility through a  
6 regionally-supported managed lane system in participation  
7 and partnership with the corridor communities, roadway  
8 users and other interested parties. This project is the  
9 first phase of a multi-phase program to relieve traffic  
10 congestion in the corridor.

11           The reason for the phased approach is  
12 funding constraints. The purpose for this project is to  
13 add much needed capacity while minimizing costs. Future  
14 projects will continue to expand the facility until the  
15 ultimate project as provided in the approved  
16 environmental schematic is constructed. The project  
17 includes an optional maintenance agreement with the  
18 developer for the managed lanes that extend for up to  
19 15 years.

20           As I mentioned before, the purpose of the  
21 project is to provide much needed additional capacity on  
22 the corridor. The managed lanes are a tool that will  
23 help manage traffic congestion and increase mobility, not  
24 just in the managed lanes but in the general purpose  
25 lanes as well. Portions of the project will modify

1 existing access to and from the frontage roads in order  
2 to more efficiently move traffic around interchanges.  
3 Lastly, this project will establish a revenue stream  
4 which will be used to pay for future improvements along  
5 the corridor.

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

22           Okay. The ultimate typical section -- this  
23 slide provides the ultimate typical sections for the  
24 project. As you can see the ultimate project adds even  
25 more lanes and will, therefore, require additional right



1 of way to construct. The ultimate typical sections are a  
2 little more complex than typical sections of the phase 1  
3 project. Generally, there will be two lanes -- managed  
4 lanes in each direction with three to five general  
5 purpose lanes. There is a short segment -- there's a  
6 short segment between US 77 and IH 35 that will only have  
7 one managed lane in each direction. Also, the ultimate  
8 project will include a collector-distributor system  
9 around the President George Bush Turnpike and the State  
10 Highway 121 interchanges. The collector-distributor  
11 system will reduce traffic weaving currently associated  
12 with these two interchanges allowing for much more  
13 efficient and safe movement of traffic.

14           The original environmental work for the  
15 ultimate project broke the project into three segments,  
16 north, south and middle. The Federal Highway  
17 Administration has issued a finding of no significant  
18 impact, or FONSI, for all three segments. Currently, the  
19 middle and the north segments are undergoing an  
20 environmental reevaluation which is expected to be  
21 completed this month. It has determined that a  
22 reevaluation was not needed for the south segment.

23           Environmental impacts from the interim  
24 schematic would result in a reduction of impacts when  
25 compared to the ultimate schematic. These impacts are



1 temporary and are generally due to the reduction of  
2 proposed travel lanes and right of way. Ultimately, all  
3 of the environmental impacts would occur as disclosed in  
4 the approved Environmental Assessment.

5 The ultimate schematic improvements will  
6 fulfill the original purpose and need of the project.

7 The proposed process for the project began  
8 almost a year ago in January of 2012 when TxDOT issued a  
9 request for qualifications, call an RFQ, for the project.  
10 TxDOT received a qualification statement from five  
11 developer teams and on April 26, 2012, TxDOT short listed  
12 four of the five teams to develop detailed proposals of  
13 the project. TxDOT issued the request for proposals, or  
14 the request -- or the RFP, which it's commonly called, to  
15 have these teams in July and receive proposals from all  
16 four in November of last year.

17 The best value proposer, AGL Constructors,  
18 with major equity members of Archer Western Contractors,  
19 Granite Construction and Lane Construction was announced  
20 last month by the Texas Transportation Commission, and as  
21 I mentioned, TxDOT is currently in negotiations with  
22 them. Their bid was \$849 million and also included a  
23 \$287 million bid for additional scope that TxDOT  
24 requested if additional funding becomes available. TxDOT  
25 can elect to add some or all of these additional scope at

1 its sole discretion.

2 This slide provides the names of all  
3 developer team members. As you can see, there are many  
4 companies involved in order to design and construct this  
5 project.

6 All the funding for the project will come  
7 from federal, state and local funding sources. TxDOT has  
8 not and will not assume any debt to acquire, design,  
9 construct, operate and maintain the project.

10 Types of lanes -- for the benefit of these  
11 who not might be clear, this slide summarizes the  
12 difference between the types of lanes we are building in  
13 this project. There are three types: Frontage roads,  
14 general purpose lanes and managed lanes.

15 Frontage roads are the non-tolled roads that  
16 run alongside a highway and allow a driver to enter or  
17 exit the highway and turn off onto the other roads.

18 Other -- they serve local trips and there is no demand  
19 management.

20 General purpose lanes are highway lanes that  
21 are not tolled. They are used to provide access to major  
22 cross roads and serve subregional or corridor trips for  
23 no demand management.

24 Managed lanes are tolled lanes. These are  
25 proactively managed so that traffic is always at or near



1 the target speed.

2 We would like to provide some general  
3 information regarding managed lanes to help you  
4 understand their expected benefits and operational  
5 attributes.

6 The managed lanes will include a set of  
7 lanes where operational strategies, including pricing,  
8 are proactively implemented and managed in response to  
9 traffic conditions. These lanes will be managed on the  
10 basis of date, time of day, vehicle type, occupancy and  
11 toll pricing. The managed lanes are designed to provide  
12 additional capacity, increased efficiency, reduce  
13 congestion, time travel reliability and operational  
14 flexibility to respond to general corridor needs.

15 The initial toll rates will be set by the  
16 Texas Transportation Commission in accordance with the  
17 regional managed lanes policy established by the Regional  
18 Transportation Council of the North Central Texas Council  
19 of Governments.

20 Even though, as I mentioned earlier, there  
21 is no debt to repay for the project, TxDOT will collect  
22 tolls on the project. TxDOT will also be responsible for  
23 operating the tolls on the toll road.

24 Regional Transportation Council Tolling  
25 Policy -- the policies include but are not limited to the



1 following: The toll rate will be established to maintain  
2 a minimum 50 mph average managed lane speed. The toll  
3 rate will be set up to a maximum of \$0.75 per mile during  
4 the fixed-schedule phase that will be in the first six  
5 months of operation. After the first six months, the  
6 toll rates will be based on traffic demand. If traffic  
7 demand is low, such as during off-peak hours, a lower  
8 toll rate will be charged. If traffic demand is high,  
9 such as during peak commuter times, a higher toll rate  
10 will apply.

11 Non-high occupancy vehicle vehicles will pay  
12 the full rate. Trucks will pay a higher rate. High  
13 occupancy vehicles and publicly-operated vanpools will  
14 pay the full rate in the off-peak period.

15 High occupancy vehicles and  
16 publicly-operated vanpools will receive 50 percent  
17 discount during peak hour. This discount will phase out  
18 after the Air Quality Attainment Period. Please go to  
19 the Web site provided for complete details on the Region  
20 Transportation Council's managed lane policy.

21 Under the anticipated operating conditions  
22 the estimated cost in tolls to travel per mile in today's  
23 dollars (unadjusted for future inflation) are expected to  
24 range from \$0.09 to \$0.63 in the opening year. In the  
25 final year of the optional maintenance period, the range

1 is \$0.17 to \$0.77. These ranges reflect the need to  
2 manage the speed on the managed lanes at all times during  
3 the day.

4 There are no limitations on the construction  
5 of competing facilities and there's no penalties  
6 associated with construction. Anyone, including TxDOT,  
7 can build any facility near the IH 35 project.

8 Pursuant to the contract that TxDOT is  
9 negotiating with the AGL Constructors' team, TxDOT has  
10 the right to terminate the contract at any time without  
11 cause. However, if we decide to do that, TxDOT must pay  
12 AGL Constructors for the design and construction work  
13 already performed under the contract and cost of  
14 terminating the subcontracts.

15 So what are the next steps? We must  
16 negotiate the final contract with developer. The  
17 contract documents will then be sent to the Federal  
18 Highway Administration. They'll also be provided to the  
19 attorney general and Legislative Budget Board for review.

20 If you want more information about the  
21 project, the contract documents or the technical  
22 drawings, you can visit our Web site at [www.txdot.gov](http://www.txdot.gov) and  
23 use the key word "I 35E" and it will take you to all the  
24 information we have available.

25 We would like to acknowledge the elected



1 officials and the county personnel that are with us  
2 today. Will you please stand when I call your name.  
3 Bobbie Mitchell, commissioner; Judge Mary Horn.

4           Is there anybody else that I missed? I want  
5 to thank you-all for attending tonight. Okay. Thank you  
6 for your cooperation.

7           The contract information developed  
8 concerning this project is available upon request for  
9 public review and copying at the TxDOT District Office  
10 and on the TxDOT Web site. We have also brought a copy  
11 of the contracts with us tonight for your review at the  
12 hearing located at the table back here.

13           As a reminder, if you did not sign in,  
14 please do so. This is for our records and determining  
15 attendance at this hearing. TxDOT's staff will be  
16 available to assist you with the process. Please submit  
17 comments to the front desk. The court reporter will also  
18 be available to document oral comments.

19           Each oral statement provided tonight and  
20 each written statement received on or before  
21 January 21st, 2013, will be responded to in writing in  
22 the summary and analysis. The summary and analysis will  
23 be posted on TxDOT's Web site and will be made available  
24 upon request when completed.

25           On behalf of TxDOT I want to thank all of



1 you for coming and participating in this public hearing.  
2 It is now 6:36 p.m. and the formal portion of this public  
3 hearing on the IH 35E project has concluded. If you want  
4 to stay and look at the contract, we'll have people  
5 around to assist you. The court reporter is also  
6 available to take individual oral comments.

7 This hearing is adjourned.

8 (Hearing concluded at 6:36 p.m.)

9 PUBLIC COMMENTS

10 SANDY BUTLER: I'm requesting that you  
11 eliminate the onramp that is in the -- if you are on  
12 northbound I35, it's the onramp between Exit 459 and  
13 Exit 460, because 90 percent of that traffic exits, moves  
14 up in the line and comes right back on. So it slows up  
15 all of the traffic on the freeway. Because they -- you  
16 know, they have to come right back in. That would be  
17 most helpful.

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1 STATE OF TEXAS )

2 COUNTY OF DALLAS )

3

4 I, Samantha M. Blair, Certified Shorthand  
5 Reporter in and for the State of Texas, do hereby certify  
6 that the facts as stated in the caption hereto are true  
7 and that the foregoing 15 pages are a full, true, correct  
8 and complete transcript of the proceedings had on the  
9 date and at the place set forth.

10 GIVEN UNDER MY HAND AND SEAL of office on this  
11 The 21<sup>st</sup> day of January, 2013.

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*Samantha Blair*

18

Samantha M. Blair, Texas CSR No. 8028  
CSR Exp: 12/31/14 Firm Reg No. 195  
Steven H. Gentry & Associates, Inc.  
5115 North Galloway, Suite 202  
Mesquite, Texas 75150  
Telephone Number: (214) 321-5333

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## **DIGITAL SIGNATURE AUTHENTICATION**

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