

TEXAS DEPARTMENT OF TRANSPORTATION

# TxDOT: Open For Business

CDA PROGRAM: PPPS TEXAS STYLE



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## Comprehensive Development Agreements & Trans-Texas Corridor

August 14, 2006

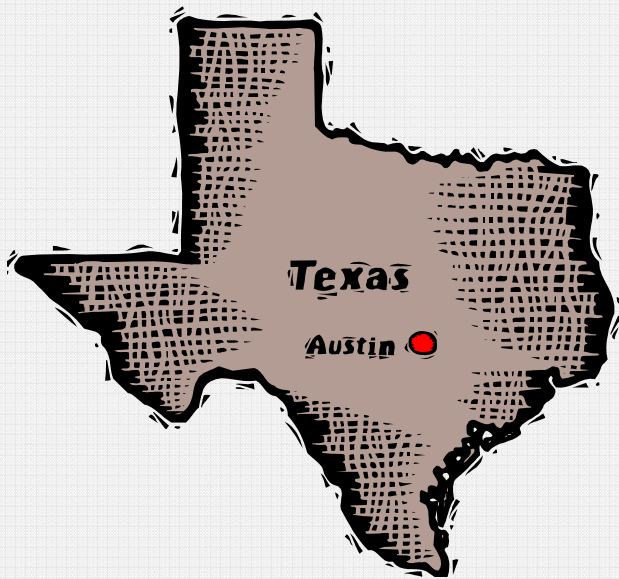


Texas Department of Transportation  
Texas Turnpike Authority Division

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## Texas Population



<u>Year</u>	<u>U.S. Census Count</u>
1850	212,592
1900	3,048,710
1950	7,711,194
1990	16,986,335
2000	20,851,820
2050	?



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## Texas by the Numbers

- Population 21 Million
  - TxDOT maintains nearly 80,000 centerline miles
  - TxDOT manages an annual budget of \$6.76 billion
  - While only 26 percent of roadways in Texas are state-maintained, 75 percent of all VMT occurs on state-maintained highways
- 
- **Other Figures:**
  - **Texans drive more than 218 billion miles a year on state highways, equal to 450,333 round trips from the Earth to the Moon**
  - **83 percent of newcomers locate in already-congested urban areas**

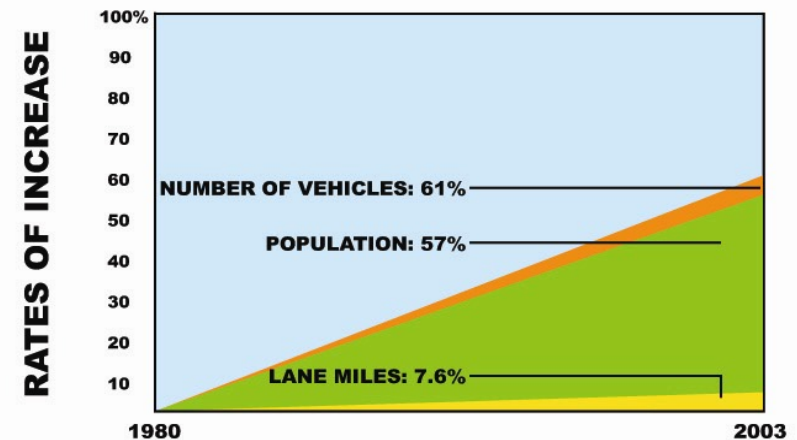
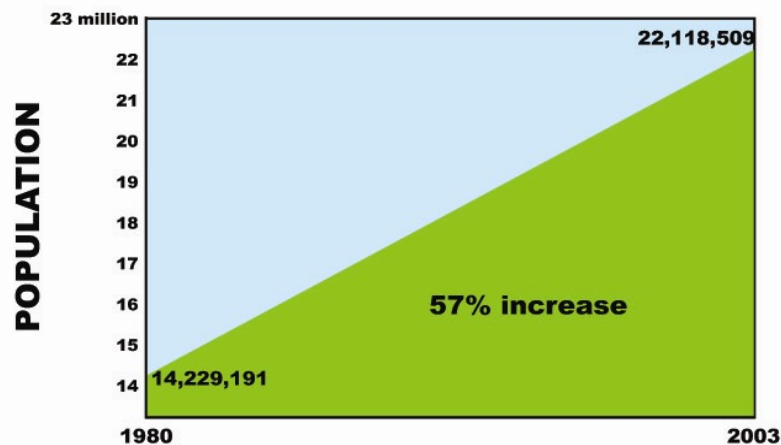
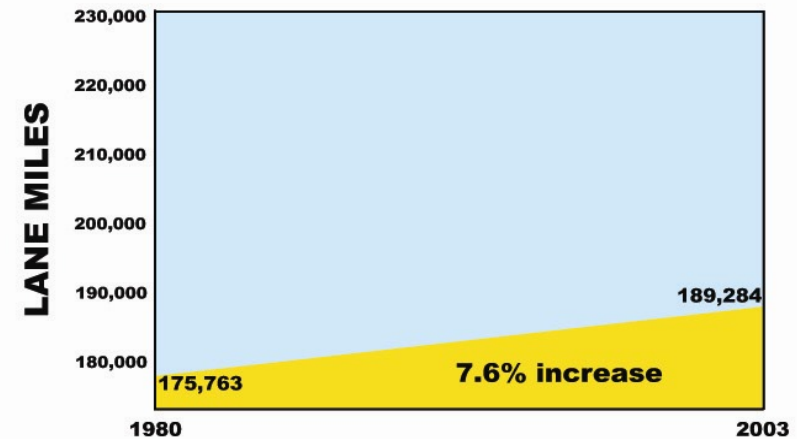
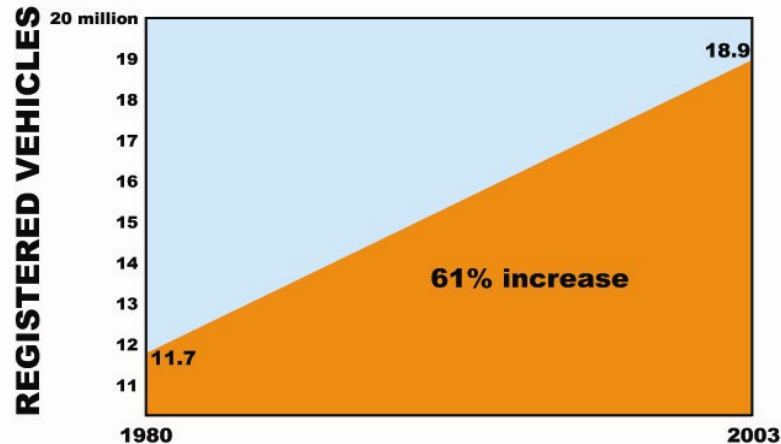


# The Mobility Challenge

## Traffic Congestion in Texas

Texas roadways are increasingly congested because of:

- ▶ Rapid population growth
- ▶ A significant increase in traffic
- ▶ A slight increase in amount of roadway (lane-miles)



## Continued Growth

The number of people and cars will continue to increase. Some forecasts project the state's population to reach as many as 36 million by 2025—a 64 percent increase from 2003.



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## The Cost of Doing Nothing More Than We're Doing Now

- Congestion gets worse
- Economic activity slows
- Quality of life suffers
- Driver frustration grows



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## Financing Tools

**Bonding**

**Texas  
Mobility  
Fund**

**Pass-  
Through  
Financing**

**Comprehensive  
Development  
Agreements  
(CDAs)**

**Tolling**





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## Public Private Partnerships

- **Combine benefits of Government and Private Business**
- **Long-term strategic partner**
- **Minimize public funding**
- **Private sector equity & innovation**
- **Maximize private investment**
- **Shared risk**



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## Comprehensive Development Agreement (CDA)

- Agreement with one entity (the developer) to design, develop, construct, finance, acquire, operate and/or maintain certain kinds of facilities
- Types of facilities:
  - **Highways, Turnpikes, Freight or Passenger rail, Public Utilities**
- Best value selection



*It will not in most cases replace the conventional delivery of a project  
Another tool in the tool box*

# TxDOT's CDA Program

## CDA PROGRAM: PPPS TEXAS STYLE

- **Awarded contracts:**
  - 2 Design-Build
    - SH 130, Segments 1-4
    - SH 45 SE
  - Toll integrator contract (Raytheon)
  - TTC-35 Strategic Partner CDA (Cintra-Zachry)

*•For the right project, CDAs offer many significant advantages over traditional low bid procurement and pay-as-you-go funding*



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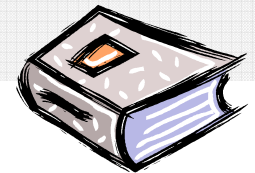
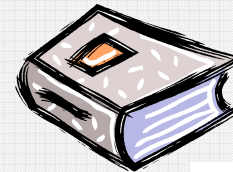
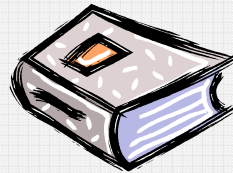
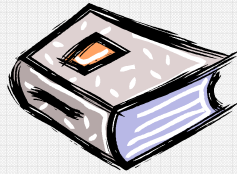
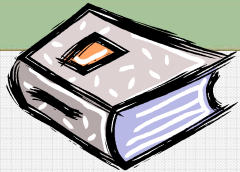
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## Programmatic Approach

- **CDAs are a statewide tool for non-traditional projects**
  - Contract for design-build projects
    - Accelerate construction
    - Enhance designer-contractor collaboration
    - Complete projects sooner
  - Attract private investment to Texas

# The Programmatic Approach

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## **Book 1**

Terms and  
Conditions

## **Book 2A**

Project Specific  
requirements

## **Book 2B**

Programmatic  
requirements

## **Book 3**

Library of  
Required  
Standards

Reference  
Information  
Documents  
**(RID)**

*All Books together make up the CDA Contract Documents*

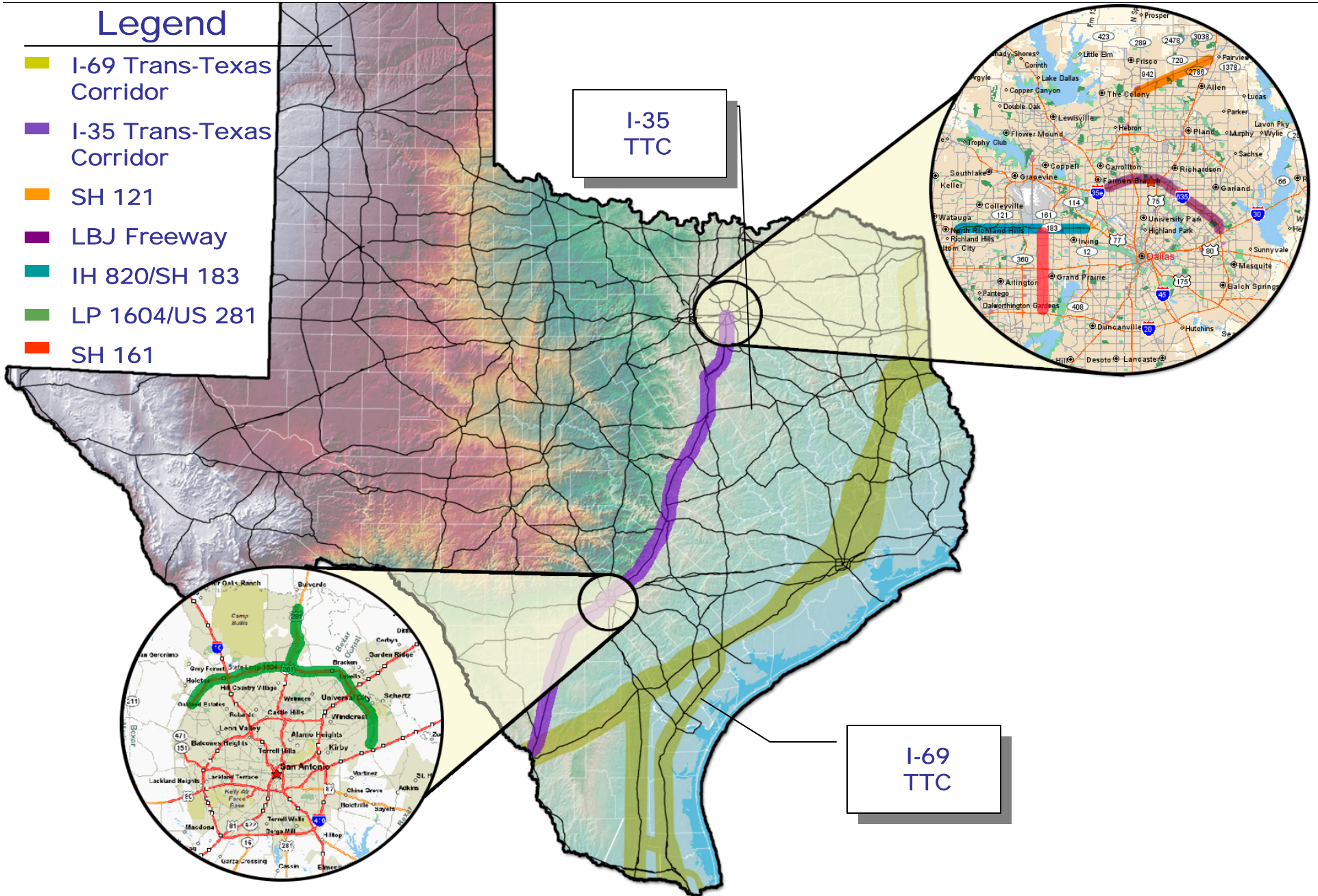
# TxDOT's CDA Program

## Legend

- I-69 Trans-Texas Corridor
- I-35 Trans-Texas Corridor
- SH 121
- LBJ Freeway
- IH 820/SH 183
- LP 1604/US 281
- SH 161

I-35  
TTC

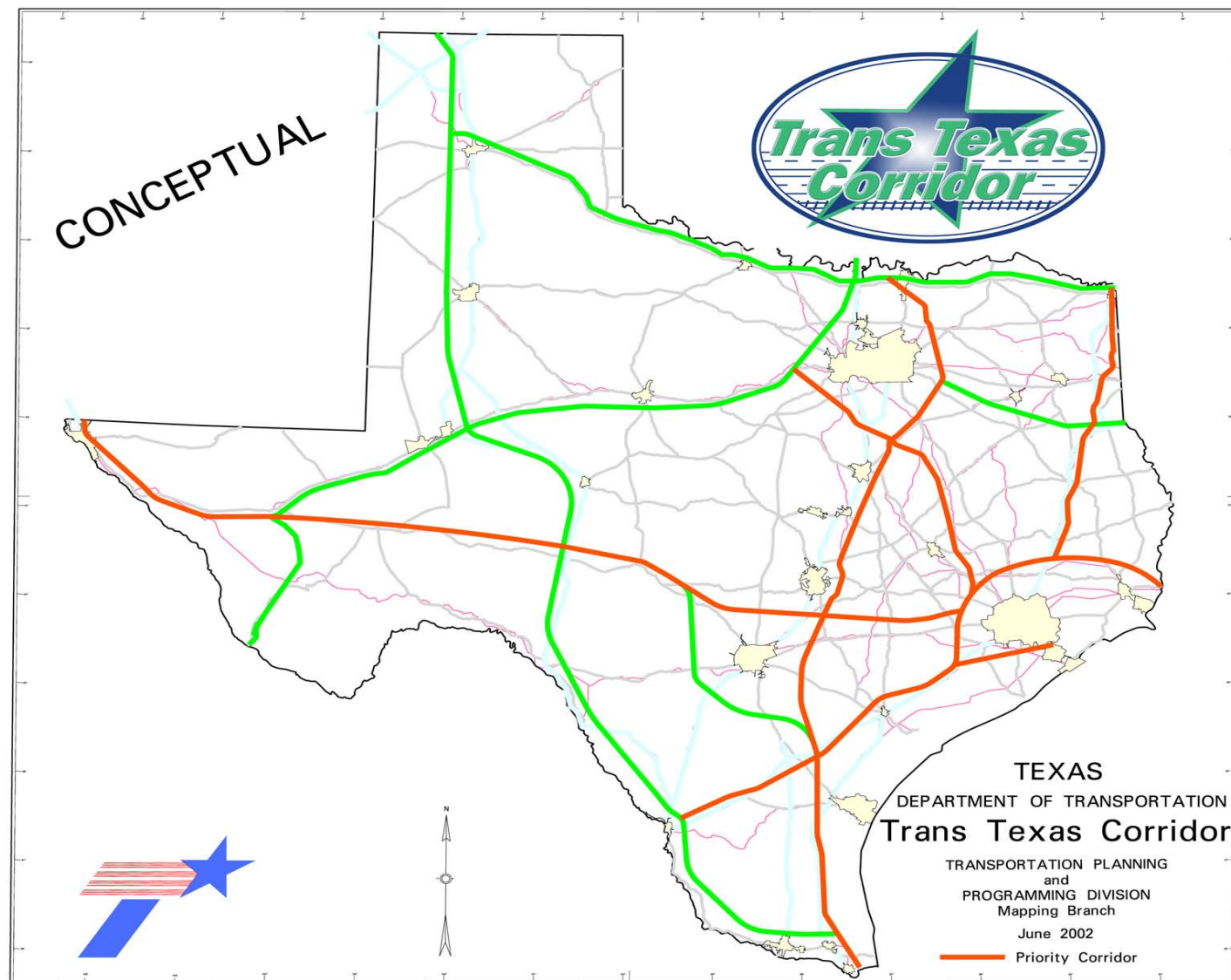
I-69  
TTC





# The TTC Preliminary Layout

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# TTC-35 Overview and Concept





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We Need New Tools to Pay for Large Projects:

- \* **User Fees**
- \* **Private Investment**

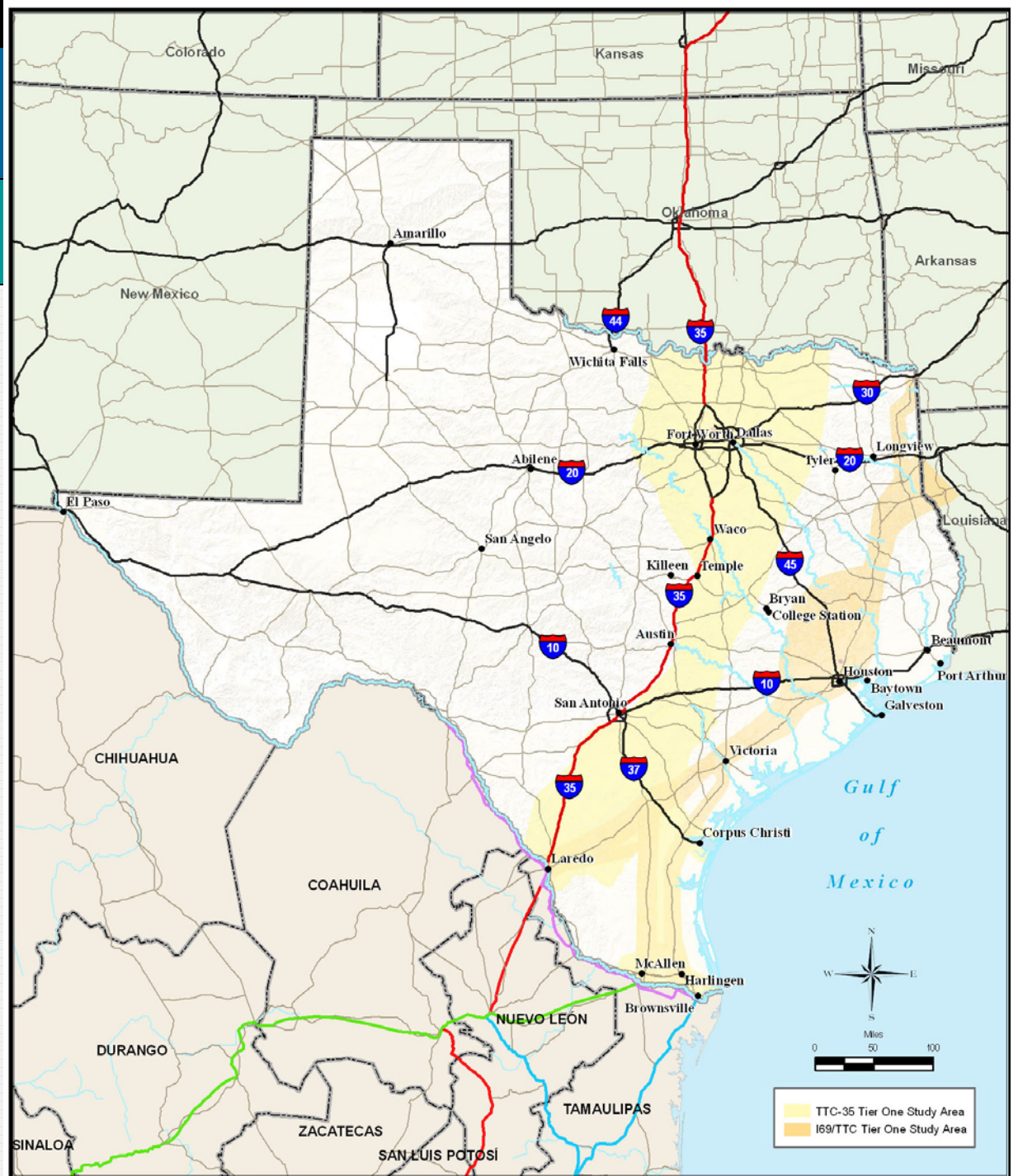
Two Projects Being Developed:

- \* **I-69 / TTC**
- \* **TTC-35**





# TTC-35 & I-69/TTC Study Areas





# TTC-35

## Refined Preliminary Corridor Alternatives

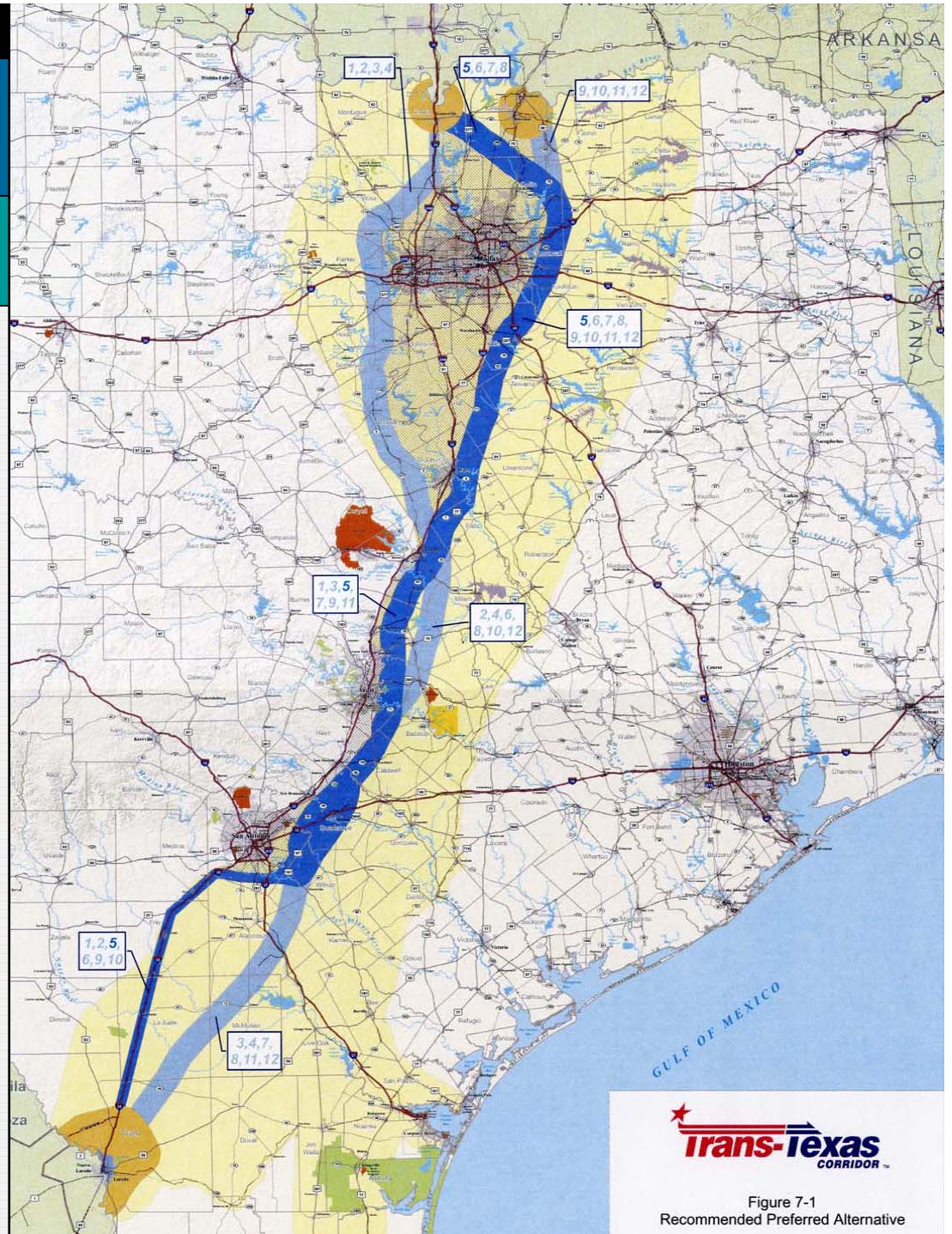


Figure 7-1  
Recommended Preferred Alternative

# **TxDOT: Open For Business**

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## **TTC-35 Milestones**

- **2002 Crossroads of the Americas Report Published**
- **2003 HB 3588 Became Effective**
- **2003 TTC 35 CDA Request for Competing Proposals Received**
- **Feb 2004 254 Public Hearings – TTC**
- **Jun 2004 26 Public Meetings – TTC 35  
» Tier 1 Environmental**



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## **TTC-35 Milestones**

- **Nov 2004**                      **44 Public Meetings – Tier 1**
- **Dec 16, 2004**              **TxDOT Commission Award of CDA Contract**
- **Feb 2005**                      **47 Public Meetings – Tier 1**
- **Mar 11, 2005**              **Execute and Award of CDA Contract**
- **Dec 2005**                      **Complete Draft Environmental Impact Statement – Tier 1**



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## **TTC-35 Milestones**

- **Apr 2006**                      **DEIS Approved by FHWA**
- **Jun 2006**                      **TxDOT Commission Authorize First CDA Concession Contract**
- **July-Aug 2006**              **54 Public Hearings – Tier 1**
- **2006-2007**                      **Complete Tier I Environmental Analysis**
- **2007**                              **Begin Tier 2 Environmental Analysis**

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## **Cintra Zachry Proposal**

- **A 50-year partnership to develop, operate and collect tolls**
- **CZ investment of \$6 billion in near-term construction projects**
- **Anticipates CZ payment \$1.2 billion to TxDOT for other transportation projects within the corridor**

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## CDA Activities

- **Initial Scope of Work commits TxDOT to 16 to 18 months of planning activities capped at \$3.5 million.**
- **Initial Scope of Work would outline facilities (projects) over 3 different timelines:**
  - Near-term (first 5 years)
  - Mid-term (years 5 to 15)
  - Long-term (beyond 15 years)
- **The Master Plan will be updated by TxDOT and the Developer on an ongoing basis and as facilities are developed throughout the Corridor.**



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## Master CDA

- **Master CDA is umbrella agreement between TxDOT & the Private Sector Developer**
  - Establishes general terms of working relationship between TxDOT & Developer for up to 50 years
  - Requires TxDOT and Developer to create Master Development & Master Financial Plan that will be followed to implement TTC35
  - Identifies specific terms (financial, legal and technical) that must be addressed in each Facility Agreement
  - Does not authorize any construction activities

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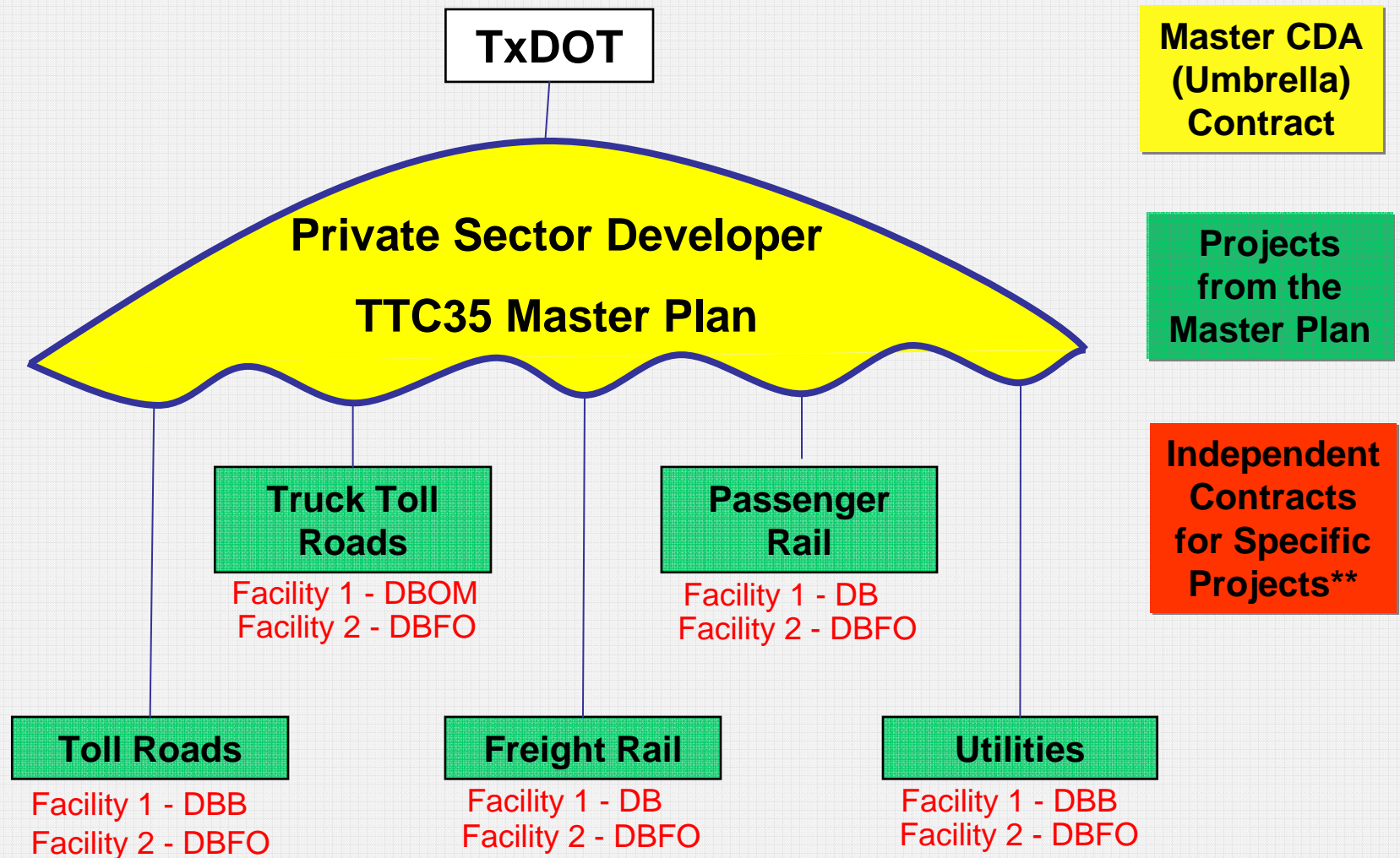
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## Facility Agreements

- **Facility Agreements will:**
  - Be developed specifically for each independent Facility as part of TTC
  - Will cover design, construction, operations, finance, etc for specific projects.
  - Could be a second CDA or could be traditional design-bid-build.
  - May be negotiated with TTC Developer or procured using other procurement strategies

# TTC-35 CDA Contractual Relationship

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\*\* Construction projects. Some Negotiated with Developer and Others Independently Procured.





# TTC-35

## Conceptual Corridor Plan:






### Near Term (2005 – 2010)

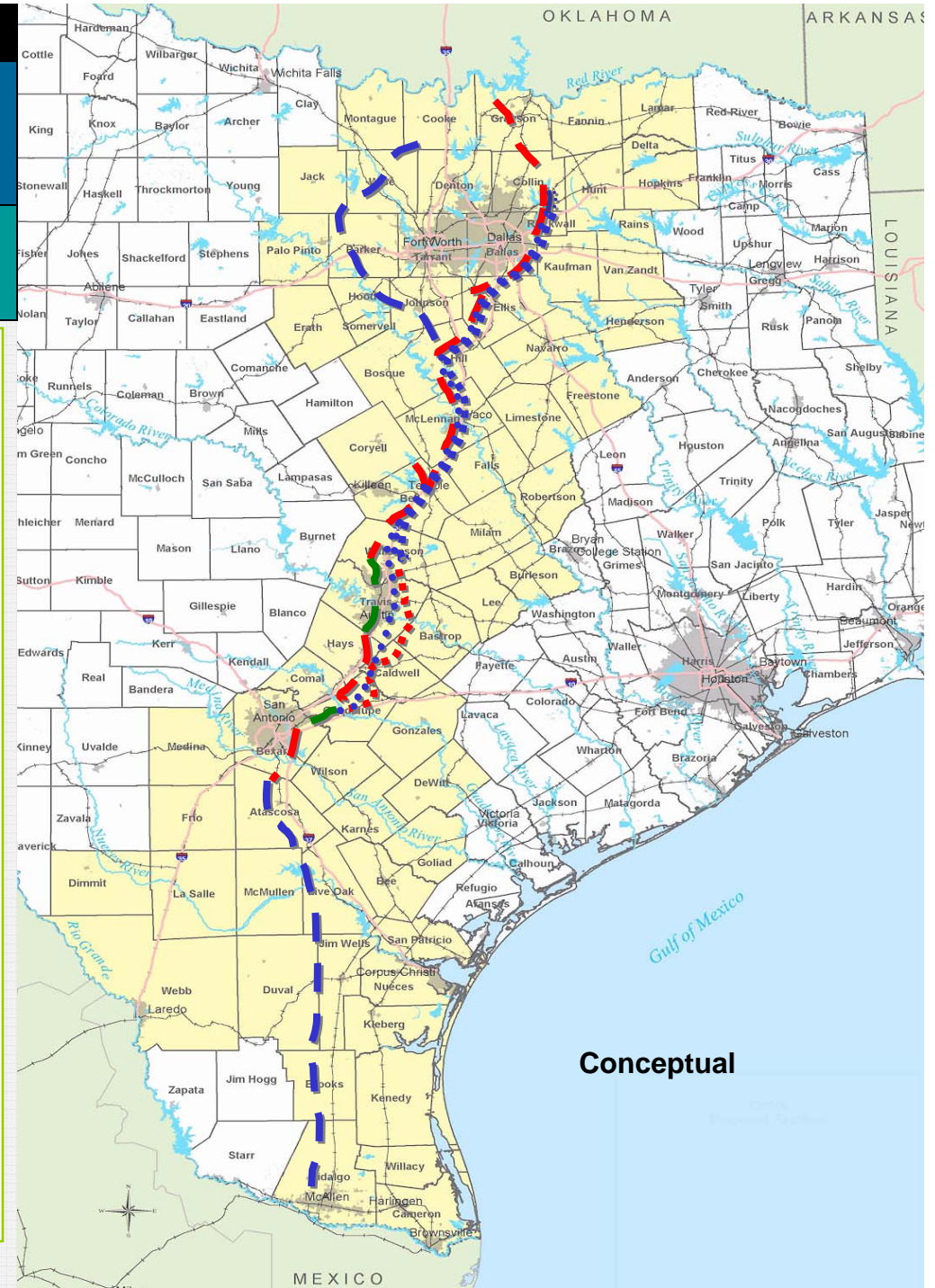
-  SH 130 – Segments 5 and 6
-  Dallas Southeast Connector
-  Dallas Northeast Connector
-  Georgetown to Temple
-  Temple to Dallas SE Connector
-  San Antonio Southeast Loop
-  UP Railroad Relocation (MoPac)

### Mid Term (2010 – 2025)

-  IH 10 Expansion, Seguin to San Antonio SE Loop
-  SH 130 – Segments 1 to 4

### Long Term (2025 - )

-  Dallas to Austin Freight Rail
-  Dallas to Austin High Speed Rail
-  Austin – San Antonio High Speed Rail
-  Fort Worth Southwest & Northwest Connector
-  San Antonio to Rio Grande Valley



Conceptual

CONCEPTUAL



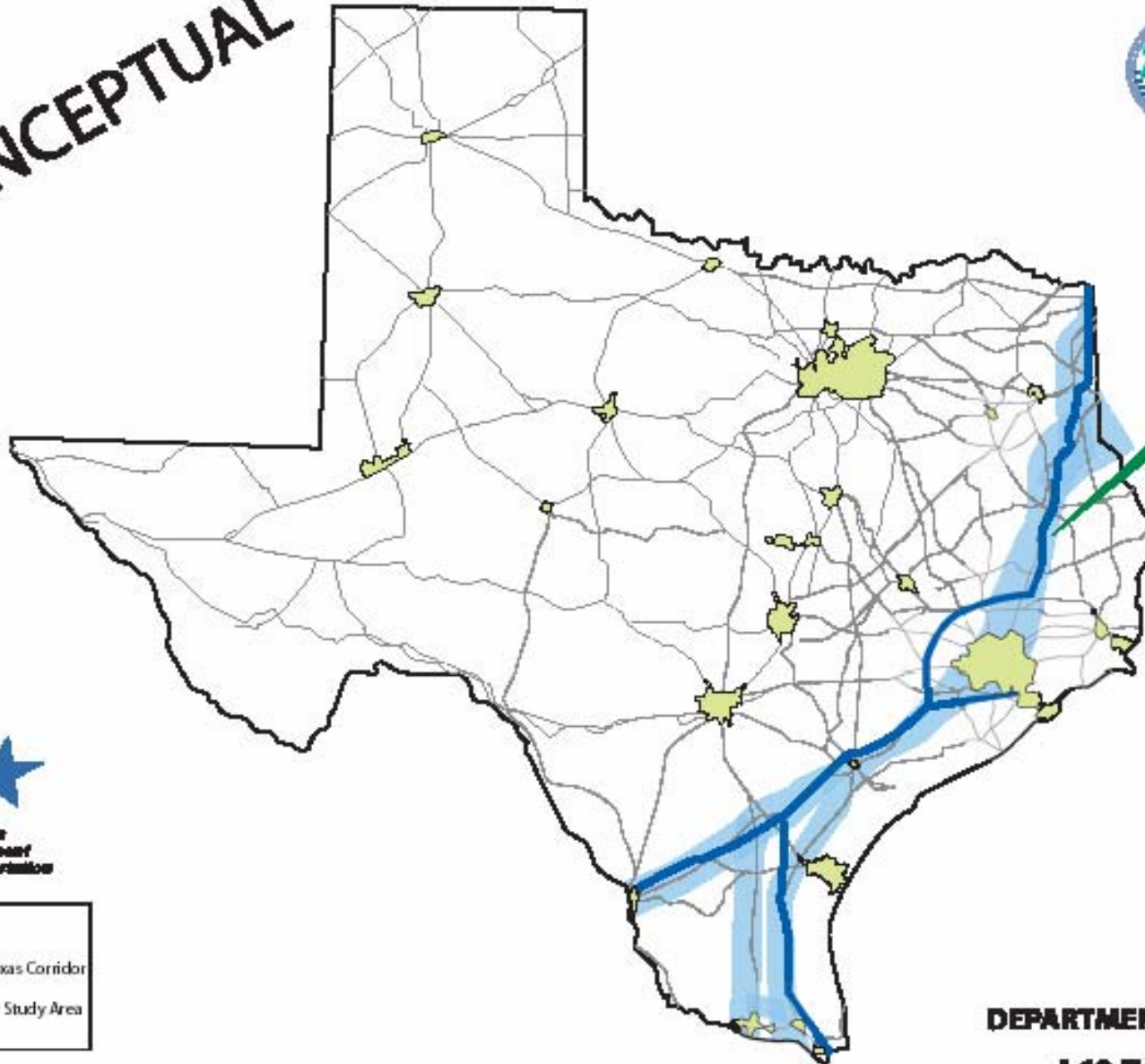
*I-69/TTC*

I-69 Trans-Texas Corridor



**LEGEND**

-  I-69 Trans-Texas Corridor
-  I-69 Corridor Study Area

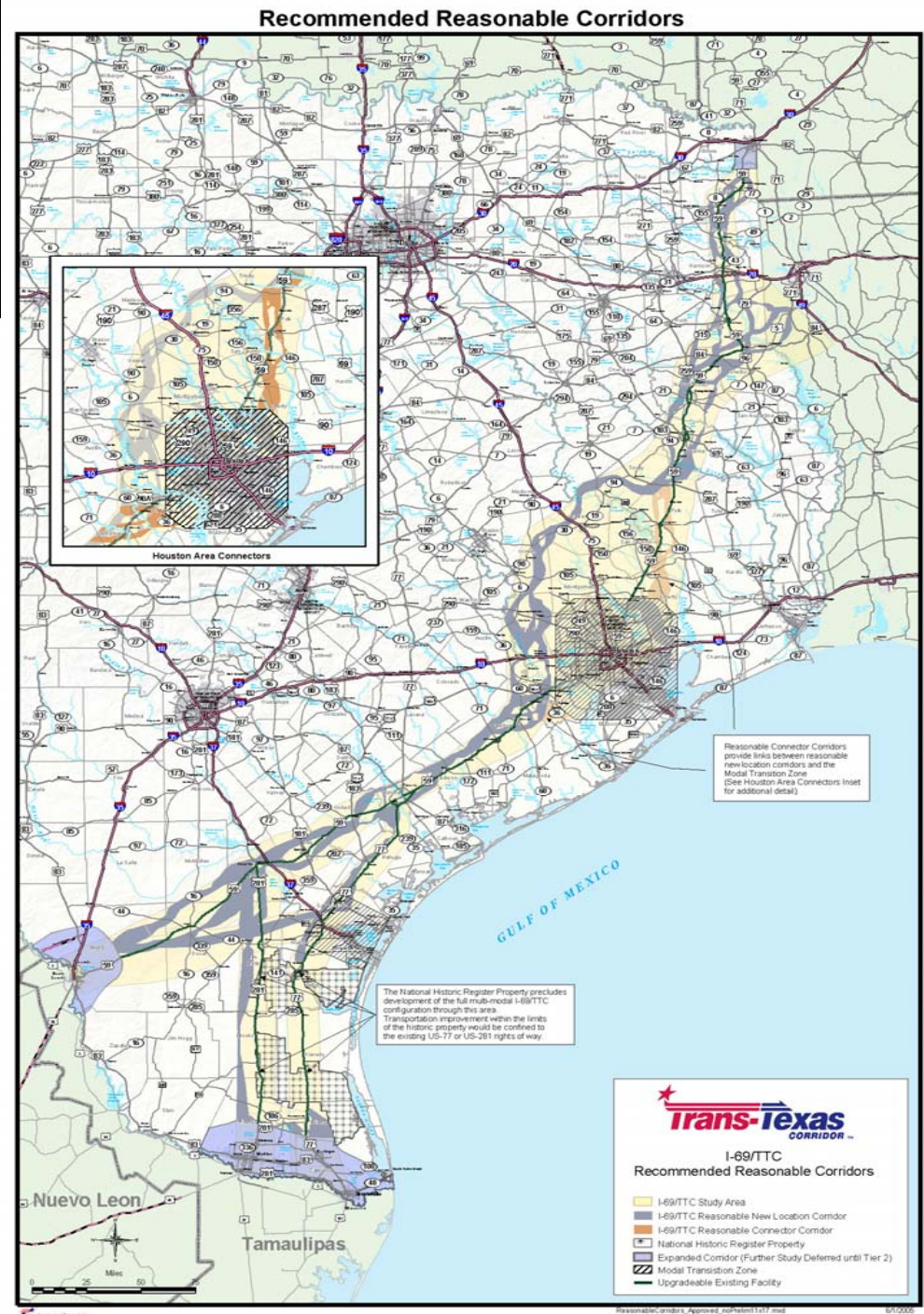


**TEXAS**  
**DEPARTMENT OF TRANSPORTATION**  
**I-69 Trans-Texas Corridor**



I-69/TTC

# Recommended Reasonable Corridors





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## **I-69/TTC Milestones**

- **October 2002**      **I-69 incorporated into Trans-Texas Corridor**
- **January 2004**      **Official kick-off/Notice of Intent**
- **Spring 2004**      **First round of public meetings (11)**
- **Spring 2005**      **Study area expanded**
- **Jul-Aug 2005**      **Second round of public meetings (37)**

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## **I-69/TTC Next Steps**

- **Spring 2006      Solicit I-69/TTC Public-Private Partnership**
- **Spring 2007      Public hearings to get comments on the preferred corridor**
- **Winter 2007      Expected completion of initial environmental study**

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## TxDOT CONCESSIONS

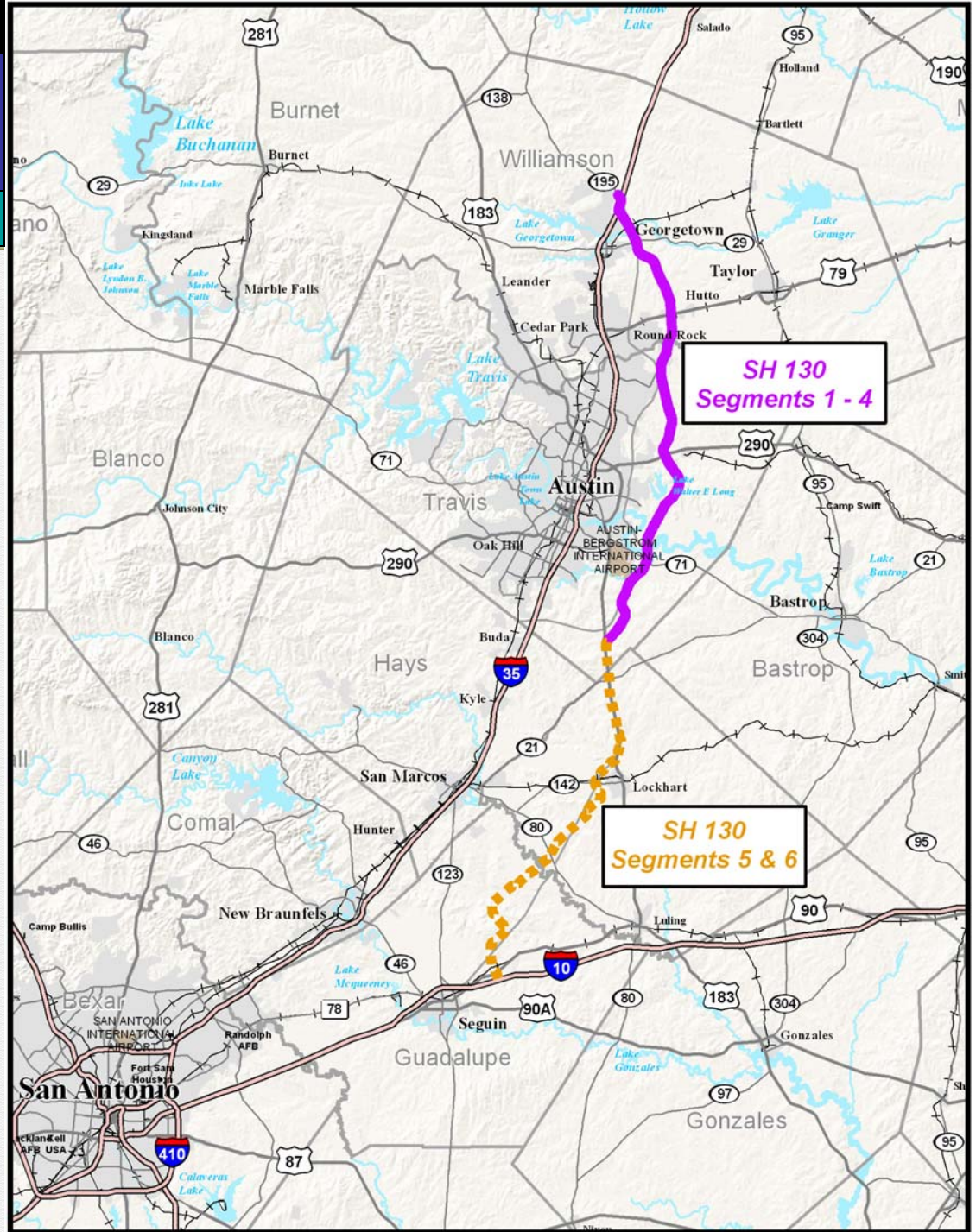
**What is in the best interest for the citizens of the state?**

- Up-front money vs. Revenue Sharing
- Who sets the tolls?
- Who assumes risk?
- How do we get the most bang for our buck?
- Speed limit posting
- Tolling methodology





# SH 130 Segments 5 & 6: First Concession Agreement



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## Facility Description

- **SH 130 segments 5 & 6**
- **\$1.35 billion construction cost**
- **40 mile project**
- **Extends SH 130 from US 183 in Creedmoor south to I-10 east of Seguin**
- **50 year lease after opening**
- **Estimated opening date of 2012 (subject to NEPA)**

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## Project Agreement

- **Texas receives:**
  - \$1.35 billion project at no cost to state
  - \$25 million up-front concession fee
  - Estimated \$245 million present value of revenue sharing over 50 years
  - A long-term source of maintenance funding
- **Cintra receives the right to collect tolls for 50 years in return for the obligation to design, build, finance, operate, and maintain the toll project**



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## Other Agreement Terms

- **Revenue sharing is based on 70 mph speed**
  - Increased speed limits would result in additional revenue sharing
- **Capacity improvements**
  - CZ is required to maintain specific levels of service that include traffic flow and speed

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## Non-Compete Clause

- **Extensive protections are included to maintain future flexibility**
  - All projects in current long-range plan will be built as planned
  - No limitations to work on I-35
  - No future roadways are delayed or prohibited
  - Establishes competing facility zone
    - Non-exempt projects will be studied for revenue impact and banked (could be positive or negative)

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## **All Electronic Tolling**

- **All electronic open road tolling**
- **No toll booths or barriers**
- **Interoperable with other toll roads in state**
- **Tolls levied by TxTAG and by video billing**
- **TxDOT retains toll collections and processing**
- **Cintra assumes toll equipment operations**



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## **Toll Rates**

- **Market Rates based on consumer demand**
- **Texans will decide what they are willing to pay**
- **Toll rate escalation methodology will be approved by the commission according to state law**
- **Tolls may be increased annually but are capped**
- **Rates are based on the growth of the Texas economy**

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## Benefits to the State

- **Congestion relief on I-35 for commuters**
  - For both tolled and non toll alternatives
- **Improves NAFTA trade corridor**
- **Helps Texas to maintain competitive advantage through improved mobility**
- **Economic development – both existing and new**
- **Congestion reduction improves safety**
- **Congestion reduction improves air quality**

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## Contact Information

Diana Vargas

CDA Program Manager

Turnpike Authority Division

Texas Department of Transportation

Phone (512) 936-0980

[dvargas@dot.state.tx.us](mailto:dvargas@dot.state.tx.us)

***[www.keeptexasmoving.org](http://www.keeptexasmoving.org)***