



TESTIMONY

Comprehensive Development Agreements: History, Process, Implications and Benefits

**Testimony Before the
Legislative Study Committee on Private Participation in Toll Projects**

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COMPREHENSIVE DEVELOPMENT AGREEMENTS: History, Process, Implications and Benefits

Traditional transportation funding methods in Texas have left a large gap between what is available and what is necessary to address the transportation challenges our citizens face. Previous legislatures have enacted laws that provide opportunities for the Texas Department of Transportation (TxDOT) to fill that gap, and department staff have been diligent in pursuing these options since their availability to address our goals of reducing congestion, enhancing safety, expanding economic opportunity, improving air quality, and increasing the value of our transportation assets. These alternative project development and financing methods run the gamut from Proposition 14 bonds and pass through financing to Comprehensive Development Agreements (CDAs).

SB 792 from the 80th Legislative Session created a study committee comprised of appointees by the Governor, Lieutenant Governor and Speaker to further look into CDAs and analyze the public policy implications of such agreements. The department is looking forward to working with committee to explore the options available to Texans and what CDAs can do for our state in providing near-term, mid-term and long-term transportation solutions.

The History

The earliest version of the CDA was referred to as an Exclusive Development Agreement, as outlined in HB 749 from the 72nd Regular Legislative Session in 1991. Statutory language allowed the then-Texas Turnpike Authority to develop projects through public/private partnerships, including other toll road corporations. The Authority was given "broad latitude" in negotiating the terms and conditions for these agreements. In 1997 the Texas Turnpike Authority was transferred to TxDOT, along with its enabling statutes. The authority to enter into Exclusive Development Agreements had not been used at the time of the transfer. Legislation passed during the 77th Legislative Session in 2001 (SB 342) created Regional Mobility Authorities and allowed for increased ability to utilize such agreements.

Governor Perry realized several years ago that the demand for transportation infrastructure is so great the private sector would see it makes good business sense to participate in the process of responding to this ever-increasing demand, possibly through financing a project, building a project, operating a project, maintaining a project, or any combination of these. In January 2002 he proposed the Trans-Texas Corridor concept that could include facilities for cars, trucks, passenger rail, freight rail, utility transmission, and connections for intermodal freight.

Later that year we received an unsolicited proposal to develop the IH-35 component of the Trans-Texas Corridor, confirming the private sector's interest in addressing our State's transportation needs. In 2003, the Texas Legislature authorized several new tools the Transportation Commission and the department needed to fully realize the benefits of private sector participation and that provided the authority needed to fully develop the multimodal facilities that are to make up the Trans-Texas Corridor. After passage of that

legislation, scores of businesses organized themselves into three teams and made competing proposals to partner with the State of Texas on TTC-35.

By injecting market forces into the process of planning infrastructure, we provide a means of ensuring that private financing is made available for the development of facilities needed to respond to transportation demand when needed, allowing traditional highway funding to remain intact and providing drivers with more choices that ensure safer, more reliable travel.

The project delivery mechanism we use to attract private capital is known as comprehensive development agreements. CDAs are entered into using a procurement process that allows us to select one entity that may finance, design, construct, operate, and maintain a transportation project as outlined in Transportation Code § 223.201-209. Through SB 792, Transportation Code § 223.210 was added providing a moratorium on the CDA process with some exemptions as detailed later in this testimony. If utilizing CDAs, the exemptions must be procured no later than August 31, 2011 for TxDOT and Regional Mobility Authorities. Also, August 31, 2009 is the expiration date for TxDOT and Regional Mobility Authorities to utilize a CDA as a project delivery mechanism. However, the bill grants County Toll Road Authorities and Regional Tollway Authorities the unfettered ability to utilize the CDA process.

CDAs are the primary means by which we are attracting private investment in the Corridor and other projects. The legislature also authorized the use of CDAs for rail projects. The ultimate vision was that all modes of the transportation system would be incorporated into CDAs, including utilities.

Through the use of CDAs, the department has moved one step closer to narrowing the gap between our transportation needs and our transportation assets, and has helped our citizens realize our transportation goals. Without the option of CDAs, several projects would not be available for use by the traveling public within the near-term, such as SH 130 in Central Texas and the long-awaited Dallas outer-loop project which is desperately needed in the region to improve congestion. The outer-loop project is expected to go to contract later this year as opposed to 20 or 30 years from now.

The Process

CDA proposals are selected based on a measure of who offers the best long-term value for the state, not necessarily on the lowest initial bid as required for traditional construction contracts under Transportation Code Chapter 223, Subchapter A. Chapter 223, Subchapter E allows us to consider more than just price when awarding a contract. We can look at design innovation, timelines, quality, and experience in addition to price.

CDAs may be used for toll projects, Trans-Texas Corridor facilities, projects that include both tolled and non-tolled elements, projects in which the private entity has an interest, and projects that are financed wholly or partly with federal sources such as private activity bonds or loans under the Transportation Infrastructure Finance and Innovation Act (TIFIA).

Negotiations are allowed with the private entity whose proposal offers the apparent best value. Greater negotiating authority ensures that the public entity receives the best value.

In contracts in which the private entity will design and build, but not finance the project, TxDOT is allowed to pre-qualify a private entity to submit a detailed proposal to provide services. This shortens the process and makes it easier to narrow down candidates to those most highly qualified for that project.

The law requires a private entity entering into a CDA to provide performance and payment bonds or alternative forms of security in an amount sufficient to protect the department and the payment bond beneficiaries. TxDOT can only enter into a CDA with a private equity investor if the project is identified in the Unified Transportation Program or is located on a transportation corridor identified in the statewide transportation plan.

A limited waiver of sovereign immunity is provided to give greater financial protection to developers under a CDA. Certain obligations of the commission or the department may be enforced by mandamus. This allows the state to obtain greater value from the private participant for the rights granted under the CDA, e.g., a greater amount of concession fees and revenue sharing.

The length of a concession term may not be longer than 52 years. Prior to SB 792, projects not on the Trans-Texas Corridor could have term lengths of up to 70 years, but all agreements allowing the private participant to collect tolls for the use of a toll project are now limited to 52 years.

If the department enters into an agreement with a private entity that includes the collection of tolls by that entity, the department must approve the methodology for setting tolls, increases to tolls, plans to collect tolls including any amounts to be charged as a penalty for late payment of a toll, and any change to the approved methodology.

The Implications

Looking to public private partnerships does come along with its own set of controversies, and several concerns have been brought up in recent years by both elected officials and the public. Following are some issues that have been raised;

Non-Compete Clauses – Essentially these clauses recognize the fact that projects developed now and in the future could have an affect on the revenue brought in by a nearby toll road, but development and improvements to other roadways will continue to occur regardless. The state and the developer can agree to an exempt list of projects that will be allowed to be built without required compensation. The non-complete clause does not prevent any nearby projects from being built regardless if they are listed within the contract or not. The clause merely sets forth a requirement that if a non-exempt project is built that negatively affects a project then compensation will be made. For instance, if a non-exempt project within the zone has a positive impact on toll revenue, the positive value will be "banked" or credited to the state. If a project has an adverse impact on toll revenue, the impact will be offset by any positive value banked by the state. Over time, if the adverse value exceeds any banked amount, the developer may

make a claim for compensation. However, the developer bears the burden of proving its claim.

Transportation Code Chapter 371, Subchapter C provides several protections when entering into a CDA. The law provides the agreement shall not prohibit the construction, reconstruction, expansion, rehabilitation, operation or maintenance of a highway or transportation project. For example, any needed safety improvements or projects within the state transportation plans are allowed under CDAs without the need for the state to provide compensation for lost toll revenue.

There are those that would like to prevent the use of non-compete clauses because they feel it will prevent improvements from being made to nearby facilities, thereby increasing the attractiveness of using the toll road. The fact of the matter is that TxDOT is in the business of providing transportation services to this state and is committed to the continued maintenance and rehabilitation of existing infrastructure. The non-compete clause is a standard business agreement used around the world and does not prevent maintenance or new capacity from being built near a toll road.

Toll Rates – It's not an alien concept to Americans that market forces determine the prices of most goods and services. But people are not used to the idea of market forces determining the cost of goods and services that are traditionally provided by government.

State law provides protections as well with language included in HB 2702 from the 79th Legislative Session stating that all tolling entities must address toll rate methodology when entering into a CDA. If an agreement is entered into with a private entity that includes the collection of tolls by that entity, TxDOT or the other public tolling entity must approve a methodology for the setting of tolls, increases to tolls, plans to collect tolls including penalties, and any change to the approved methodology.

For example, when the CDA process was ongoing for SH 121 in Denton and Collin Counties (prior to awarding the contract to NTTA), local officials were allowed to recommend the initial toll rates and the maximum allowable increases, which recommendations were approved by the Transportation Commission. While the market may be able to bear higher rates, the developer was limited to charging reasonable toll rates as determined by the region and local leaders.

Length of Agreements and Buyback Provisions – One of the most significant aspects of a CDA is the length of the agreement. There will be some who are concerned that the state will “give away the farm” when we structure the agreements and that nothing can be done about it for 50 years or more. Simply put, private developers will be investing vast sums of money and it will take time to recoup such an investment.

It is also important that the state be allowed to buy out a developer. Authorizing buyouts in statute will allay the fears that the state will negotiate a poor deal for drivers and be held to it for several decades. Under Transportation Code 371, Subchapter C, the state has the ability to issue bonds for the purpose of buying back a CDA.

SB 792 Exempted Projects

Following are updates on the status of projects exempted from the CDA moratorium and first option/market valuation process in SB 792. For any projects that include managed lanes, which are additional toll lanes alongside existing free lanes, the county commissioner's court must pass a resolution in support of the project acknowledging the CDA may contain penalties for the construction of competing transportation projects built or acquired during the term of the CDA.

General Exemptions from Article 3 of SB 792 (CDA Moratorium):

- The Trinity Parkway in Dallas: A local referendum to cancel the project was defeated on a November 2007 ballot. The region is moving forward with plans for this project.
- The North Tarrant Expressway in DFW Region: TxDOT has short-listed teams to compete for the project, a request for detailed proposals was approved by the Transportation Commission is expected later this year.
- The DFW Connector: TxDOT has short-listed teams to compete for the project, a request for detailed proposals was approved by the Transportation Commission is expected later this year.
- IH-635 LBJ Freeway Managed Lane Project in Dallas: TxDOT has short-listed four teams to compete for the project, and a request for detailed proposals was issued September 18, 2007. Responses are due to the department by April 30, 2008.
- Loop 1604 in San Antonio: TxDOT has short-listed two teams to compete for the project, but the Transportation Commission just cancelled any ongoing negotiation at the January 2008 meeting. The market valuation process has been begun with the San Antonio Regional Mobility Authority.
- SH 121 in DFW Region: The North Texas Tollway Authority (NTTA) and TxDOT finalized the project agreement on August 22, 2007. Payment was received by the department allowing NTTA the ability to design, build, operate and maintain the roadway for the next 50 years. At the January 2008 Transportation Commission meeting, funds were authorized to provide the Regional Transportation Council construct authority on locally identified projects.
- SH 161 in DFW Region: TxDOT has short-listed teams to compete for the project, a request for detailed proposals was approved by the Transportation Commission is expected later this year. The NTTA and TxDOT are currently in the process of determining the market value of the project with third parties.
- Loop 9 in DFW Region: Under the terms of the March 2005 CDA, TxDOT has authorized Cintra Zachry to develop an implementation plan for the critical project. The developer will pay for all costs associated with developing the plan, which is expected to be completed this summer.
- SH 99 (Grand Parkway) in Houston: TxDOT and the local toll entities are in negotiations currently on the "terms and conditions" for a market valuation. The department will issue a work order in the next few days to begin the traffic and revenue study on the Grand Parkway.
- I-69 South of Refugio County: TxDOT short-listed two teams to compete for the project, and the request for detailed proposals was issued December 3, 2007. The deadline for responses is March 5, 2008.

- Any CDA in Grayson County: Preliminary discussions have begun on initiating the market valuation process.
- Any CDA in the county of El Paso, Cameron or Hidalgo (with any El Paso CDA projects being in an MPO plan prior to May 1, 2007): No updates at this time.

Exemptions from Article 6 Related to the Houston Area:

The Harris, Montgomery and Ft. Bend County Toll Road Authorities have been given the right to develop the following projects on terms agreeable to the county at any time, providing the county toll authorities first option to develop any project within their jurisdiction:

- Beltway 8 Tollway East, between US 59 North and US 90 East: A revised environmental document was resubmitted to the Federal Highway Administration (FHWA) for approval; anticipate release of approval for the public hearing process soon.
- Hardy Downtown Connector (consisting of the proposed direct connection from the Hardy Toll Road southern terminus at Loop 610 to downtown Houston): Harris County Toll Road Authority (HCTRA) is proceeding with development of this project and it is anticipated they will go to contract to begin construction in 2009.
- SH 288 (between US 59 and Grand Parkway South - SH 99): The draft environmental impact statement is currently in the review process. It is expected the department will begin the process of submitting the document to FHWA within the next couple of weeks.
- US 290 Toll Lanes (between IH 610 West and the Grand Parkway West - SH 99): The Final Environmental Impact Statement is being reviewed by FHWA and we anticipate environmental clearance by the summer of 2008.
- Fairmont Parkway East (between Beltway 8 East and Grand Parkway East - SH 99): This project is being developed by HCTRA with no activity on TxDOT's behalf required.
- South Post Oak Road Extension (between IH 610 South and near the intersection of Beltway 8 and Hillcroft in the vicinity of the Fort Bend Parkway Tollway: This project is being developed by HCTRA with no activity on TxDOT's behalf required.
- Westpark Toll Road Phase II (between Grand Parkway – SH 99 – and FM 1463): This project is being developed by HCTRA. TxDOT will be working with the Fort Bend Toll Road Authority (FBTRA) on design details as this project parallels FM 1093.
- Fort Bend Parkway (between SH 6 and the Brazos River): This project is being developed by FBTRA with no activity on TxDOT's behalf required.
- Montgomery County Parkway (between SH 242 and the Grand Parkway West – SH 99, and if the Grand Parkway project has not begun construction, a non-tolled extension of the Montgomery County Parkway to allow a connection to IH 45): Montgomery County has hired a contractor to do a feasibility study. The county and the consultant are scheduled to meet with the TxDOT Houston District concerning the possibility of a State Infrastructure Bank loan for this study.

SB 792 – Various CDA-Related Provisions

Staff of the Legislative Study Committee on Private Participation in Toll Projects requested updates on any provisions related to SB 792 which may not have been discussed otherwise. Following are some articles and provisions which include various components of the CDA process.

Prior to the 80th Legislative Session, the department was required to provide stipends to unsuccessful proposers for CDA projects. This stipend provides an incentive to private firms to participate in the process, thereby increasing competition as well as leading to better proposals. Article 2 of SB 792 provides that the payment of a stipend is now be permissive as opposed to mandatory. The Transportation Commission has approved stipend payments under the revised law and is currently in the process of implementing rules on the matter.

In relation to CDA payments, Article 6 provides that all payments, refinancing dividends, and any other revenue received under such an agreement must be allocated to the TxDOT district within the MPO boundaries in which the project that is the subject of the CDA is located. These funds will be distributed based on the percentage of toll revenue from users from each district of the project and can only be spent on transportation and air quality projects in the region.

Under Article 11, TxDOT, Regional Tollway Authorities, Regional Mobility Authorities and County Toll Road Authorities must have all CDAs reviewed by the Attorney General for legal sufficiency, and the Legislative Budget Board must be supplied with the short list of proposers within ten days after selection. It also requires a financial forecast and a traffic and revenue report for the project be provided to the LBB and the Comptroller respectively before the CDA is entered into. In terms of competing facilities, an 8-mile wide compensation zone from the centerline of the project was established to be included in CDA terms, meaning improvements within this zone affecting the revenues of the toll road will result in compensation to the contractor unless the improvements are in a transportation plan, or related to safety projects, air quality projects, or preservation projects. This also applies to facility agreements.

Market Valuation

A process established in SB 792 requires all proposed toll projects eligible within the boundaries of a local tolling entity to go through what is called the Market Valuation process. The department has identified 87 such toll viable projects around the state and we are currently working with local entities to implement this process.

Once a project is identified, the local tolling entity and TxDOT must agree on terms and conditions for the development, construction, and operation of the toll project. This includes the initial toll rate and the toll rate escalation methodology.

Once these terms are settled, the tolling entity and TxDOT must agree on an entity to perform the actual market valuation. The market valuator will use the agreed upon terms and conditions and other information agreed on by TxDOT and the local tolling entity, such as the traffic and revenue study, project scope, market research, and estimate project

costs, to determine the project's value. During the process, there is one main point of contact with both the department and the tolling entity during negotiations and all negotiations are open to the public and recorded.

Upon completion of the market valuation, the tolling entity and TxDOT will have 90 days to review and agree to the market valuation. The local tolling entity is then given six months to exercise the first option to develop the project. After that option is exercised, the local tolling entity has two years after the date on which all environmental requirements necessary for the development of the toll project are secured and all legal challenges to development are concluded to enter into a construction contract.

The local tolling entity must also commit to providing the value of the project as determined in the market valuation. This can be done by making a payment into a toll project sub-account in the State Highway Fund in an amount equal to the value of the project, or making a commitment to construct, within the period agreed to by the local toll project entity and the department, additional transportation projects in the region in which the toll project is located with estimated construction costs equal to the market valuation of the toll project. Funds paid into a sub-account may only be used by the department to finance the construction of additional transportation and air quality projects in the region. Or, in the case of a payment by a county, for transportation projects located in the county and the counties contiguous to that county.

If the local tolling entity is a Regional Mobility Authority, or RMA, they have the option to commit to use all surplus revenue from the toll project for the purposes for which surplus revenue may be used by an RMA under Section 370.174(b) of the Transportation Code, including constructing other transportation projects (to include RMA, TxDOT or other governmental entity projects) in an amount equal to the valuation of the project during a time period to be agreed upon by the department and the authority.

If any of the above deadlines are not met by the local tolling entity, then TxDOT will have two months to make a choice on whether to develop the project. If the department chooses to develop the project, we will have two years to enter into a construction contract and commit to providing the financial value of the project by payment or by construction commitment.

If TxDOT elects not to develop the project or does not meet the deadlines, then the market valuation process may begin again, starting with the local tolling entity and the department developing revised terms and conditions for the project. The Transportation Commission identified 87 toll-viable projects which could go through this process by adopting a Minute Order in June 2007. The Minute Order and list of projects is attached for reference.

SB 792 exempted the following projects from the market valuation process: DFW Connector, North Tarrant Express, SH 121 (in Denton and Collin Counties), IH 635, LP 1604, President George Bush Turnpike, Phase 3 and 4 extensions of the Dallas North Tollway, The Lewisville Lake Bridge, I-69/TTC and TTC-35. In addition, all of the Houston Area projects exempted from the moratorium discussed earlier under exempted projects are not required to undergo the market valuation process.

Conclusion

The need has become so great in Texas to provide new infrastructure, we were forced to examine innovative ways of financing it. With the help of the Texas Legislature and the Governor, TxDOT has paved the way for private investment in state infrastructure with Comprehensive Development Agreements. We must continue to find a mechanism that increases our financial resources, imposes a manageable level of risk, and maintains control of future revenue streams for the benefit of the people of Texas.

Given the state's growth trends in population and road usage, and absent a comprehensive plan to address the transportation challenge we face, Texas is short billions of dollars of investments necessary to ensure an efficient state transportation system. Unless we take action now, congestion will worsen, air quality will deteriorate, the safety of motorists will be at greater risk, and our prospects for economic development will diminish.

The CDA is one of several options available to support our four core strategies of addressing the transportation challenge: using all available financial tools and options; empowering local and regional leaders to solve local and regional transportation problems; increasing competitive pressure to drive down the cost of projects; and demanding consumer-driven decisions that respond to traditional market forces.

The project delivery method that is a Comprehensive Development Agreement attracts new dollars to transportation finance and puts infrastructure on the ground years if not decades in advance of what would otherwise be possible but it is still just one more tactical option available to us and our local and regional partners.

The sunset of and moratorium on the CDA program would not only remove an optional funding mechanism for transportation projects, but has also shaken the private investment field's confidence that Texas is committed to such a process. The moratorium, by its terms, expires September 1, 2009. This funding mechanism can only help further Texas in realizing our true and evident potential as a leader in this global economy as experienced through previous agreements and negotiations.

For example, prior to pursuing SH 121 in Denton and Collin Counties through the CDA process, the North Texas Tollway Authority (NTTA) had requested the department contribute \$200 million to build the toll road. Given the funding was not available through TxDOT for years to come, a private developer saw the project's value and the CDA process began. After this process was cancelled and negotiations began with NTTA to develop the project, it was then determined the toll road's worth is \$3.3 billion in excess value to be spent in the region. The Dallas/Ft. Worth area will now benefit from the involvement of traditional market forces for decades to come.

The members of the Texas Transportation Commission and the Texas Department of Transportation look forward to working with the Legislature to ensure this valuable method of procurement, along with a tremendously forward thinking body of law, is maintained and improved upon in the coming decades.

TEXAS TRANSPORTATION COMMISSION

VARIOUS Counties

MINUTE ORDER

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VARIOUS Districts

Senate Bill 792, 80th Legislature, Regular Session, 2007, added Transportation Code, §228.0111, to establish a process for providing local toll-project entities, defined as regional tollway authorities, regional mobility authorities, or counties acting under Chapter 284, Transportation Code, with the first option to develop, construct, and operate toll projects located within the boundaries of the local toll-project entity.

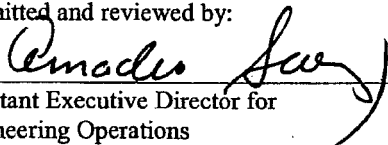
Transportation Code, §228.0111 prescribes a process for establishing the terms and conditions for the development, construction, and operation of those projects, and for developing market valuations of those projects, with local toll-project entities within whose boundaries approved candidate toll projects are located.

On June 14, 2007, in Minute Order 110964, the Texas Transportation Commission (commission) approved a list of candidate projects for development, construction, and operation as toll projects, and authorized the executive director of the Texas Department of Transportation (department) to initiate the process prescribed by Transportation Code, §228.0111 with the local toll-project entity within whose boundaries an approved candidate toll project is located.

Exhibit A to this order corrects the description of candidate projects throughout the state that were approved by the commission in Minute Order 110964.

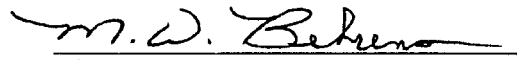
IT IS THEREFORE ORDERED by the commission that the corrected list of candidate projects for development, construction, and operation as toll projects contained in Exhibit A to this order is approved.

Submitted and reviewed by:



Assistant Executive Director for
Engineering Operations

Recommended by:


Executive Director

110974 JUN 28 07

Minute Date
Number Passed

**Candidate Toll Projects
(Amended 6-28-07)**

(Toll Implementation Scope - Project Specific List)

Map Number	TxDOT District	Highway	County	Limits	Construction Scope	Total Cost of Project
1	Atlanta	US 59 / US 71 / IH 69 / IH 49	Bowie	Texarkana Outer Loop from Sulphur River South of Texarkana to US 71 North of Texarkana	Construct 4 lane tollway	\$340,460,000
2	Austin	SH 45 S & SW	Travis	IH 35 to Loop 1 South	Construct 6 lane toll parkway and Construct 4 lane tollway with one lane frontage roads	\$151,000,000
3	Austin	Loop 1	Travis	Slaughter Ln to FM 734	Reconstruct freeway/parkway to add managed lane and/or construct int. managed lanes	\$285,000,000
4	Austin	US 183	Travis / Williamson	Lakeline Blvd to Loop 1	Construct two managed lanes	\$340,000,000
5	Austin	US 290 W / SH 71 W	Travis	West of RM 1826 to East of Williamson Creek / US 290 to 1.1 mile North	Construct 6 lane tollway	\$256,000,000
6	Austin	US 183	Travis	South of IH 35 to South of SH 71	Construct 6 lane tollway	\$516,000,000
7	Austin	SH 71 E	Travis	IH 35 S to East of Thornberry Lane	Construct 6 lane tollway	\$541,000,000
8	Austin	US 290 E	Travis	East of US 183 to FM 973 (includes SH 130 interchange)	Construct 6 lane tollway	\$620,000,000
9	Austin	IH 35	Travis / Williamson	CR 111 to FM 1327	Reconstruct freeway to add managed lanes	\$1,085,000,000
9A	Austin	SH 45 N	Travis	Anderson Mill Road to US 183	Construct 6 lane tollway	\$60,000,000
9B	Austin	Loop 360	Travis	US 183 to US 290	Construct 4 lane tollway	\$476,000,000
10	Beaumont	US 69	Hardin	US 96 to SH 326	Construct 4 lane tollway	\$173,570,000
11	Bryan	SH 249	Grimes	Extend SH 249 from FM 1774 to SH 6	Construct 4 lane tollway	\$238,272,000
12	Bryan	SH 40 / FM 2818	Brazos	SH 6 to FM 1179	Construct 4 lane tollway	\$311,640,000
13	Corpus Christi	SH 286	Nueces	IH37 to south of SH 357 (Saratoga Blvd)	Construct managed lanes	\$243,000,000
14	Corpus Christi	US 181 (Harbour Bridge)	Nueces	North of Ship Channel to South of Ship Channel and Intersection of IH 37 with Waco Street	Construct new bridge and add managed lanes	\$695,000,000
15	Corpus Christi	SH 358	Nueces	Ayers Street to Spur 3 (Ennis Joslin)	Construct managed lanes	\$139,000,000
16	Corpus Christi	Southside Mobility Corridor	Nueces	IH37 south to PR 22 (Padre Island)	Construct 4 lane tollway	\$765,000,000
17	Corpus Christi	US77	Nueces	Driscoll Relief Route	Construct 4 lane tollway	\$60,000,000
18	Corpus Christi	US 77	Kleberg	Riviera Relief Route	Construct 4 lane tollway	\$55,000,000
19	Corpus Christi	US 281	Jim Wells	Premont Relief Route	Construct 4 lane tollway	\$70,000,000
20	Dallas	IH 35E	Dallas / Denton	US 380 to IH 635	Construct additional lanes with managed lanes	\$2,396,000,000
21	Dallas	IH 30	Dallas	East of Sylvan Ave to IH 35E	Construct additional lanes with managed lanes	\$727,000,000
22	Dallas	IH 635	Dallas	US 75 to East IH 30	Construct additional lanes with managed lanes	\$842,000,000
23	Dallas	IH 35E	Dallas	Loop 12 to IH 635	Construct additional lanes with managed lanes	\$220,000,000
24	Dallas	SH 181	Dallas	South of IH20 to North of SH183	Construct 6 lane tollway (CDA)	\$639,000,000
25	Dallas	SH 183	Dallas	SH 360 to Loop 12 / West of Loop 12 to IH 35E	Construct additional lanes with managed lanes	\$1,233,000,000
26	Dallas	Trinity Parkway	Dallas	SH 183 / IH 35E to US 175	Construct 4-6 lane tollway	\$678,000,000
27	Dallas	SH 190 (East Branch)	Dallas	IH 30 to IH 20	Construct 6 lane tollway	\$700,000,000
28	Dallas	IH 35E / IH 30 (Project Pegasus)	Dallas	US 183 / (Empire Central) to East of Downtown Dallas	Reconstruct and add managed lanes	\$1,534,000,000
29	Dallas	IH 35E / US 67 (Southern Gateway / Gateway Horizon)	Dallas	IH 30 to IH 20 to US 287	Construct additional lanes with managed lanes	\$2,037,000,000
30	Dallas	SH 114	Dallas	International Parkway to US 183	Construct additional lanes with managed lanes	\$616,000,000
31	Dallas	Loop 12	Dallas	(IH 20) Spur 408 to IH 35 East	Construct additional lanes with managed lanes	\$1,368,000,000
32	Dallas	Loop 9	Dallas / Ellis	IH 20 to SH 360 (Bennett Lawson)	Construct 6 lane tollway	\$932,000,000
33	Dallas	IH 30 / US 80	Dallas	IH 35E Downtown Dallas to IH 635	Construct additional lanes with managed lanes	\$2,363,000,000

**Candidate Toll Projects
(Amended 6-28-07)**

(Toll Implementation Scope - Project Specific List)

Map Number	TxDOT District	Highway	County	Limits	Construction Scope	Total Cost of Project
34	Dallas	IH 20	Dallas/Tarrant	SH 360 / SH 161 Connector	Construct tolled direct connectors	\$60,000,000
35	Dallas	Outer Loop / TTC-35	Denton / Collin / Rockwall Kaufman / Dallas	IH 35 to IH 20 / Loop 9	Construction 6 lane tollway	\$2,377,878,000
36	El Paso	Loop 375	El Paso	IH 10 to Zaragoza Port of Entry	Construct managed lanes	\$25,234,771
37	El Paso	Loop 375	El Paso	Zaragoza Port of Entry to US 54	Construct managed lanes	\$61,740,000
38	El Paso	Loop 375	El Paso	Park Steet to IH 10 at US 85 interchange	Construct 4 lane tollway	\$421,100,000
39	El Paso	IH 10	El Paso	US 85 interchange (at Sunland) to Loop 375	Construct managed lanes	\$135,890,000
40	El Paso	IH 10	El Paso	Loop 375 to New Mexico State line	Construct managed lanes	\$92,270,000
41	El Paso	US 62 / US 180	El Paso	Loop 375 to IH 10	Construct 6 lane tollway	\$366,900,000
42	El Paso	NE Parkway	El Paso	Loop 375 to FM 3255 (New Mexico State line)	Construct 4 lane tollway	\$244,810,000
43	El Paso	Loop 375	El Paso	IH 10 to Franklin State Park	Construct 4 lane tollway	\$144,410,000
44	El Paso	Loop 375	El Paso	Franklin State Park to US 54	Construct managed lanes	\$215,610,000
45	El Paso	Loop 375	El Paso	US 54 to NE Parkway Interchange	Construct additional lanes with managed lanes	\$155,790,000
46	El Paso	Loop 375	El Paso	NE Parkway Interchange to US 62 / US 180	Construct managed lanes	\$61,600,000
47	El Paso	Loop 375 / IH 10	El Paso	US 62 / US 180 to IH10	Construct managed lanes and Interchange	\$258,670,000
48	Fort Worth	SH 121	Tarrant / Johnson	Alta Mesa Blvd to US 67	Construct 4 lane tollway	\$295,000,000
49	Fort Worth	IH 30	Tarrant	Cooper Street to Dallas County Line	Construct managed lanes	\$10,559,000
50	Fort Worth	IH 30	Tarrant	IH 820 to SH 161	Construct additional lanes with managed lanes	\$686,000,000
51	Fort Worth	IH 35W	Tarrant	Alta Mesa Blvd to Johnson County Line	Construct managed lanes	\$55,300,000
52	Fort Worth	SH170	Tarrant	SH 114 to IH 35W	Construct 4 lane tollway	\$195,000,000
53	Fort Worth	SH 170	Tarrant / Parker	IH 35W to SH 199 - Interim Outer Loop	Construct 4 lane tollway	\$580,000,000
54	Fort Worth	SH 360	Tarrant / Johnson	IH 20, South to US 287	Construct 4 lane tollway	\$230,000,000
55	Fort Worth	Outer Loop / TTC-35	Tarrant / Johnson / Parker	IH 20 to Ellis County Line	Construct 6 lane tollway	\$1,325,000,000
56	Fort Worth	Outer Loop / TTC-35	Parker	IH 20 to SH 199	Construct 6 lane tollway	\$425,000,000
57	Fort Worth	IH 820 (SE)	Tarrant	Anglin Drive to Meadowbrook Drive	Construct additional lanes with managed lanes	\$122,668,000
58	Houston	IH 10	Harris / Waller	SH 6 to Brazos River.	Construct managed lanes	\$542,000,000
59	Houston	SH 249	Harris	Brown Road (Phase II) to FM 1774	Construct 6 lane tollway	\$274,000,000
60	Houston	SH 35	Harris / Brazoria	IH 45 to South Business SH 35	Construct 4-6 lane tollway	\$2,167,000,000
61	Houston	SH 99	Montgomery / Harris Brazoria / Galveston Chambers / Liberty	Segments (A, B, C, D, E, F1, F2, G, H, I1, I2)	Construct 4 lane divided tollway	\$5,350,000,000
61A	Houston	Various	Harris	Various	Convert existing Houston Metro HOV System to HOT system	\$50,000,000
62	Laredo	Loop 20	Webb	IH 35 to SH 359	Construct 6 lane tollway	\$264,000,000
63	Laredo	Cuatro Vientos	Webb	SH 359 to US 83 at Southgate, Sierra Vista, Cielito Lindo, and Unnamed Interchange	Construct 4 tolled interchanges	\$80,000,000
64	Laredo	Laredo Outer Loop	Webb	IH 35 to US 83 at Rio Bravo	Construct 4 lane tollway	\$220,600,000
65	Pharr	US 83 / La Joya Loop	Hidalgo	Starr County Line to FM 1427	Construct 4 lane tollway	\$138,000,000
66	Pharr	West Loop	Cameron	US 77 / US 83 to Palm Blvd (Brownsville)	Construct 4 lane tollway	\$240,000,000
67	Pharr	US 281	Hidalgo	US 83 to SP 600 (Pharr Connector)	Construct 4 lane tollway	\$100,000,000
68	Pharr	Hidalgo County Loop (SW Segment)	Hidalgo	US 83 to US 281 at Spur 600	Construct 4 lane tollway	\$250,000,000
69	Pharr	Hidalgo County Loop (SE Seg.)	Hidalgo	US 281 North to US 83 (Mercedes)	Construct 4 lane tollway	\$250,000,000
70	Pharr	Hidalgo County Loop (NW segment)	Hidalgo	US 83 (Penitas) to US 281	Construct 4 lane tollway	\$350,000,000

**Candidate Toll Projects
(Amended 6-28-07)**

(Toll Implementation Scope - Project Specific List)

Map Number	TxDOT District	Highway	County	Limits	Construction Scope	Total Cost of Project
71	Pharr	Hidalgo County Loop (NE seg.)	Hidalgo	US 281 to US 83 (Mercedes)	Construct 4 lane tollway	\$350,000,000
72	Pharr	East Loop	Cameron	US 77 / FM 511 (Brownsville-Los Tomates Bridge to US 77)	Construct 4 lane tollway	\$142,000,000
73	Pharr	US 83 Roma / Rio Grande City Bypass	Starr	US 83 at FM 650 to US 83 at FM 1430, around Roma and Rio Grande City	Construct 4 lane tollway	\$204,000,000
74	San Antonio	US 281	Bexar	North of Loop 1604 to Comal County Line	Construct 4 and 6 lane tollway	\$400,000,000
75	San Antonio	Wurzback Pkwy	Bexar	Walmore to Blanco --toll connection to US 281	Construct 4 lane tollway and interchange	\$250,000,000
76	San Antonio	Loop 1604	Bexar	SH 151 to East IH 10	Construct 4 lane tollway	\$1,800,000,000
77	San Antonio	SH 16 (Bandera Road)	Bexar	IH 410 to Loop 1604	Construct 4 lane tollway	\$270,000,000
78	San Antonio	IH 35	Bexar	Cibolo Creek to CBD and Connection to IH 410 S	Construct additional lanes with managed lanes	\$2,200,000,000
79	San Antonio	IH 10	Bexar	SH 1604 to US 87 (Boerne)	Construct managed lanes	\$280,000,000
80	San Antonio	IH 10	Bexar	East IH 410 to SH 130 (Sequin)	Construct managed lanes	\$560,000,000
81	Tyler	Loop 49	Smith	US 69 North of IH 20 to SH 110	Construct 2 lane tollway	\$188,496,520
82	Tyler	East Loop 49	Smith	SH 110, North to SH 155 N / US 271	Construct new 2 lane tollway	\$100,000,000
83	Yoakum	IH 10	Austin	Brazos River to FM 3538	Construct managed lanes	\$324,000,000
84	TTC	TTC-35	Various	Oklahoma State Line to Outer Loop	Construct TTC Corridor	\$3,836,000,000
85	TTC	TTC-35	Various	Outer Loop to Georgetown	Construct 4 lane tollway	\$2,920,000,000
86	TTC	TTC-35	Various	IH 10 to IH 35	Construct 4 lane tollway	\$947,000,000
87	TTC	TTC 69 Ports to Ports	Various	Laredo to Corpus Christi	Construct 4 lane tollway	\$1,668,000,000
Grand Total:						