



## **CAMPO Finance Committee**

Friday, September 10, 2010, 8:00 a.m.

301 Congress Avenue, Suite 360, Austin, Texas 78701

***Please note that a quorum of the CAMPO Transportation Policy Board may be present at this meeting. While Committee action may be taken, no CAMPO Transportation Policy Board action will be taken.***

1. Introductions
2. Presentation, discussion, and possible action on requested Terms and Conditions for the MoPac Improvement Project
3. Adjourn

***Free parking is available in the garage; enter on Brazos Avenue between 3<sup>rd</sup> and 4<sup>th</sup> Streets.***

## **DEVELOPMENT OF TERMS AND CONDITIONS FOR LOOP 1 MANAGED LANES (MOPAC IMPROVEMENT PROJECT)**

The Loop 1 Managed Lanes (MoPac Improvement Project) Terms and Conditions were developed by the Central Texas Regional Mobility Authority (Mobility Authority) and the Texas Department of Transportation (TxDOT) pursuant to provision included in Senate Bill 792 (SB 792) by the 80<sup>th</sup> Texas Legislature.

In SB 792, the Texas Legislature addressed how the region should approach the development of roadways when using toll revenues to fund the construction and/or expansion of such roadways. SB 792 provides that when a region determines a road project should be developed as a toll project, the local toll project entity (such as the Mobility Authority) and TxDOT need to undertake a “market valuation” process for that project.

The market valuation process results in the development of Terms and Conditions to be utilized in the development of a planned toll project. The Terms and Conditions are to include a description of the project, the initial toll rate and the toll escalation methodology. In the case of the MoPac Improvement Project, the Mobility Authority and TxDOT held several negotiation sessions to develop the Terms and Conditions. The resulting Terms and Conditions for the MoPac Improvement Project are set forth in Attachment “A” and reflect an initial toll rate and escalation method that will allow the MoPac Improvement Project to be developed in accordance with regional goals and CAMPO’s current Transportation Improvement Plan (TIP).

The Terms and Conditions have been agreed upon between the Mobility Authority and TxDOT, and the market valuation process for the MoPac Improvement Project has been finalized. The CAMPO Transportation Policy Board now must determine whether the MoPac Improvement Project should be developed using the Terms and Conditions incorporated in the market valuation. Upon the CAMPO Transportation Policy Board’s acceptance of the Terms and Conditions, the Mobility Authority will have the option to develop the MoPac Improvement Project. The Mobility Authority plans to exercise its option and will move forward with the development and construction of the roadway project.

**DEVELOPMENT OF TERMS AND CONDITIONS FOR  
LOOP 1 MANAGED LANES  
(MOPAC IMPROVEMENT PROJECT)**

ATTACHMENT "A"

TERMS AND CONDITIONS FOR THE MOPAC IMPROVEMENT PROJECT (LOOP 1)

1. Project Scope: The Loop 1 Managed Lanes Project (the "Project") is an 11.9 mile toll project, extending from just north of Parmer Lane (FM 734) to just south of Lady Bird Lake. The Managed Lanes extend from just north of Parmer Lane (FM 734) to just north of Lady Bird Lake for a total managed lanes distance of 10.99 miles. The Managed Lanes (one lane in each direction) will be constructed along the median of the existing Loop 1 facility in an area created by reducing the width of the existing lanes and shoulders, as well as widening pavement and bridges as necessary in certain locations. A total of 8 access points (five northbound and three southbound) are proposed for the Project. The Project includes direct connectors at the Cesar Chavez interchange, which will be constructed when financially feasible and upon environmental clearance.
2. Initial Toll Rate (2010\$): Toll rates will be established on a congestion-based toll pricing structure with the intent of maintaining reliable free-flow travel speeds of at least 40 to 50 mph on the Managed Lanes (absent any incidents which affect travel flow). The base toll rate is \$0.22 per lane mile. The base toll rate will be adjusted to ensure that free-flow travel speeds are maintained. Under the CTRMA's toll policies, emergency vehicles, military vehicles, registered van pools, and public transportation vehicles with a carrying capacity of 16 or more individuals (CapMetro buses and CARTS) may access the managed lanes without paying a toll. Toll policies may be adjusted periodically by the CTRMA Board of Directors.
3. Toll Escalation Methodology: The base toll rate will be escalated per the methodology set forth herein. Beginning on October 1<sup>st</sup> of the year following the Project's first year of full operations, and on each October 1<sup>st</sup> thereafter (the "Toll Escalation Determination Date"), a percentage increase in the base toll rate for the Project will be determined in an amount equal to the Toll Rate Escalation Percentage and will become effective on the January 1 of the next calendar year. This is consistent with, and subject to, CTRMA Board policy and bond indenture requirements concerning toll rates.

For purposes of determining the Toll Rate Escalation Percentage, the following capitalized terms shall have the meanings given below:

"Toll Rate Escalation Percentage" = shall mean a percentage amount equal to  $[(CPI^t - CPI^{t-12}) / CPI^{t-12}]$ . In the event the Toll Rate Escalation Percentage is calculated to equal less than 0%, then the Toll Rate Escalation Percentage shall be deemed to equal 0%.

"CPI<sup>t</sup>" = the most recently published non-revised index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment ("CPI"), as published by the Bureau of Labor Statistics of the U.S. Department of Labor ("BLS") prior to the Toll Escalation Determination Date for which such calculation is being made. The CPI is published monthly and the CPI for a particular month is generally released and published during the following month. The CPI is a measure of the average change in consumer prices over time for a fixed market basket of goods and services, including food, clothing, shelter, fuels, transportation, charges for doctors' and dentists' services, and drugs. In calculating the index, price changes for the various items are averaged together with weights that represent their importance in the spending of urban households in the United States. The contents of the market basket of goods and services and the weights assigned to the various items are updated periodically by the BLS to take into account changes in consumer expenditure patterns. The CPI is expressed in relative terms in relation to a time base reference period for which the level is set at 100.0. The base reference period for the CPI is the 1982-1984 average.

"CPI<sup>t-12</sup>" = the CPI published by the BLS in the month that is 12 months prior to the month used to established CPI<sup>t</sup>.

If the CPI is discontinued or substantially altered, as determined in the sole discretion of the Authority, the Authority will determine an appropriate substitute index or, if no such substitute index is able to be determined, the Authority reserves the right to modify its obligations under this Policy.