



IH 35E Proposed Improvements

June 16-17, 2009

Stakeholder Work Group Meetings



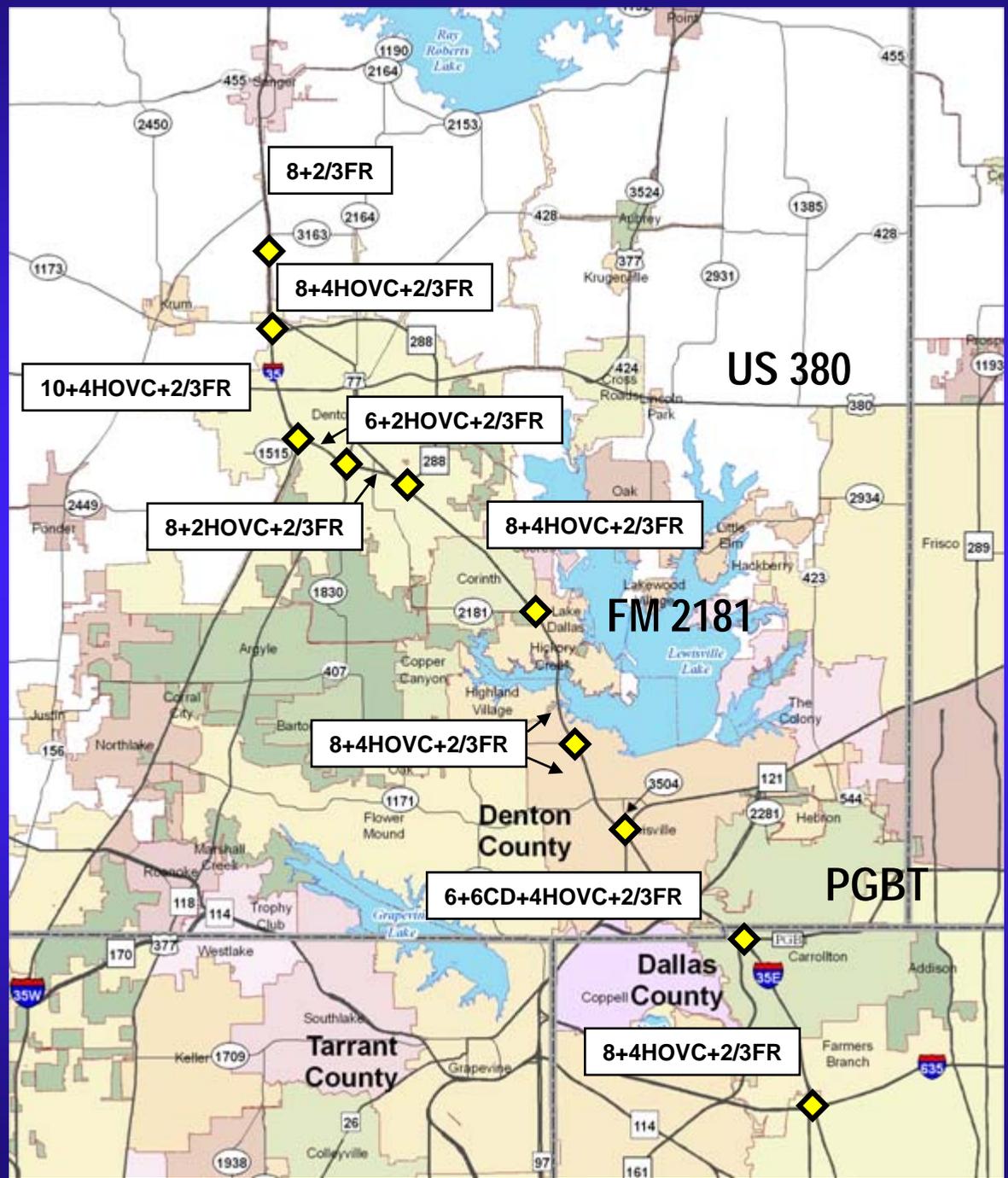


- **Recap of Last Meetings**
 - Schematic Design Overview
 - Overview of Project Financing and Delivery Options
 - Recent TxDOT Procurement Results
- **Outcome of State Legislative Session**
- **Construction Financing & Phasing Plan**
 - **Potential Segments To Be Developed Traditionally**
 - IH 35E/Beltline Road
 - North Early Segment
 - **Potential Scope To Be Developed Through Innovative Finance**
 - Assumptions
 - Total Project Costs
 - Initial Scenarios
 - Results of Financial Modeling
 - Ideas to Improve Project Viability
 - Ideas for Interim Improvements
- **Other Issues/Next Steps**



Project Overview & Limits

SOUTH MIDDLE NORTH



Note: 2/3FR indicates 2 lane frontage roads except between exit and cross street, where 3 lanes are provided.

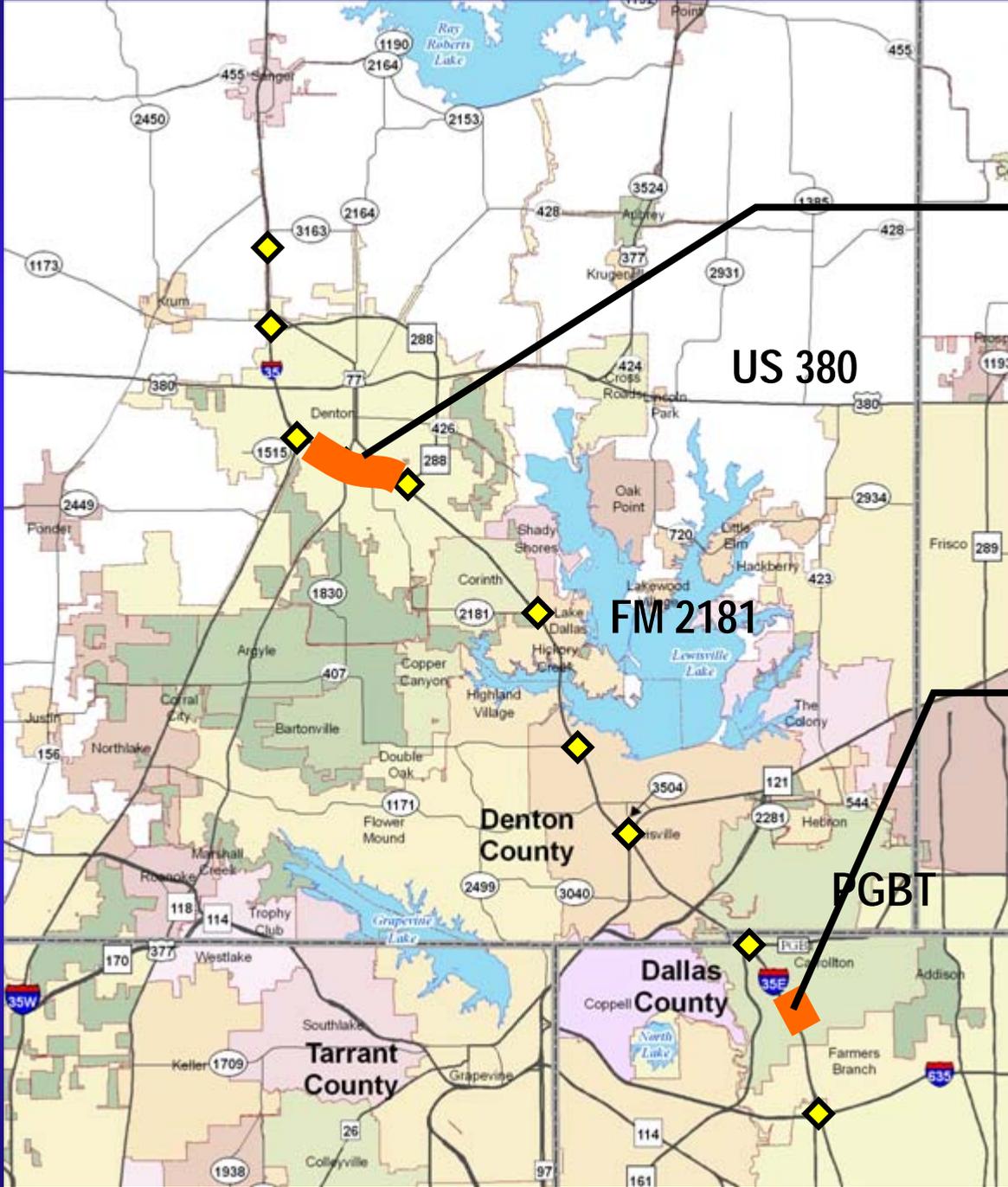


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Possible Traditional Delivery Segments

SOUTH MIDDLE NORTH



“North Early Project:”
Loop 288 to South of IH 35W (Low Managed Lane Volumes)

“Beltline Road Project:”
Crosby Road to Northside Drive (Need for Multiple Railroad Agreements)



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Initial Scenarios

Assumptions:

1. Capital Costs

- Main lanes and Frontage Roads Removed and Replaced
- \$782M Total Cost of Right of Way to be acquired
- Engineering: 6 % Design, 4% Construction QA/QC, 2.5% Independent Engineer
- 15% Contingencies above unit rates
- Additional 20% risk adjustment to convert the costs from a DBB analysis to a DBFOM analysis

2. Operating Costs

- Routine Maintenance – ROW to ROW
- Lifecycle Maintenance – ROW to ROW
- Toll Collection Costs Based on IH 635 TSA w/ NTTA



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Initial Scenarios

Assumptions:

3. Level II Traffic and Revenue

- RTC Managed Lane Policy
- Managed Lane Access Based on Schematic
- NCTCOG Population Forecasts Based on TSDC 0.5 Migration Scenario through 2030
- Modified Demographic Scenario Developed – Adjusted NCTCOG Forecast Upward by 3.5% in 2015 and 20% in 2030
- As the Middle Segment Managed Lanes open to traffic, the South Segment existing HOV Lanes transition to managed lanes
- Scenario for Public Sector Financing – “Baseline” Alternative:
 - 275 Revenue Days Per Year
 - Traffic Growth Beyond 2030: 2.0%, reducing by 0.5% every 5 Years w/ 0.5% Constant Beyond
- Scenario for Private Sector Analysis – “Modified” Alternative:
 - 330 Revenue Days Per Year
 - Traffic Growth Beyond 2030: 2.5%, reducing by 0.5% every 10 Years



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Capital Costs

PROJECT SEGMENT (\$m)	Design-Build Costs (1)	ROW Costs (3)	Total Costs (1,2)
South	566	206	772
Middle	1,898	406	2,304
North Total (Includes North Early and Widening)	1,179	170	1,349
North Early	406	89	495
Total Project Cost (excludes North Early and Widening line item)	3,643	782	4,425

Note 1: Design-Build costs include design, construction, utility relocations, CEI, contingencies, etc. in real dollars (\$2009)

Note 2: Total Costs include ROW

Note 3: Right of Way Only, including contingencies





O&M and Lifecycle Costs

Operations & Maintenance (Includes <u>Developer</u> Toll Operations)	Average annual cost per lane mile (2009\$)
Managed Lanes	90,960
General Purpose Lanes	30,646
Frontage Lanes	17,783
Summary	
	246,389
Lifecycle Maintenance	Average annual cost per lane mile (2009\$)
Managed Lanes	47,545
General Purpose Lanes	50,451
Frontage Lanes	14,042
Summary	
	112,038
NTTA Back Office Costs	
COSTS PER TRANSACTION	
Toll Collection Costs (Public Model) (1)	\$0.045 + 3.75% * Toll
Toll Collection Costs (Design-Build Finance Model) (1)	\$0.045 + 3.75% *Toll

Note 1: Fixed Fee (\$0.045 in 2010\$) increases at 2.0% annually
reset every 2 years



Scenario 1



SOUTH MIDDLE NORTH



**28 Mile Corridor
Completed on One CDA
Contract**

**North:
Open by 2018**

**Middle:
Open by 2015**

**South:
Open by 2020**



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Scenario 2

SOUTH MIDDLE NORTH



Middle Section Only Completed on One CDA Contract

North: Temporary Widening by 2015

Middle: Open by 2015

South: HOV to HOT Lane Conversion by 2015



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Scenario 4



SOUTH MIDDLE NORTH



South and Middle Section Completed on One CDA Contract

**North:
Temporary Widening by 2015**

**Middle:
Open by 2015**

**South:
Open by 2020**



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Results of Financial Modeling

Input (\$m)	Scenario 1	Scenario 2	Scenario 4
Revenue	5.8	4.9	5.1
Toll Collection Costs	(0.3)	(0.3)	(0.3)
Capital Costs	(4.2)	(2.3)	(3.0)
O&M	(0.5)	(0.3)	(0.4)
Lifecycle Costs	(0.4)	(0.2)	(0.3)
Subsidy			
Subsidy	(3.0) - (3.2)	(1.2) - (1.3)	(1.9) - (2.0)
Less RTR Funds	(0.5)	(0.5)	(0.5)
Additional Funding Requirement	(2.5)-(2.7)	(0.7)-(0.8)	(1.2)-(1.5)

Notes:

All Figures Presented in Billions of Dollars discounted at 5% to 2010





Ideas to Improve Project Viability

- **Decrease Costs**
- **Increase Revenue**
- **Secure Additional Funding**
- **Other Ideas**



Ideas for Interim Improvements

- **General Purpose Lane Additions/Widening**
- **Frontage Road Intersection Widening**
- **Pedestrian Structure @ UNT**
- **Other Ideas**



- **Achieve Planning Milestones**
 - **Schematic Approval**
 - **Environmental Assessment Approval**
 - **Public Hearings**
 - **FONSI**
- **Begin Right of Way Acquisition**
- **Determine Legislative Outcome**
- **Continue Project Definition Process**
 - **Investigate Ideas to Improve Project Viability**
- **Stakeholder Consensus of Segment Prioritization and Project Delivery/Innovative Finance Model**



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