

MINUTES

REGIONAL TRANSPORTATION COUNCIL

April 19, 2018

The Regional Transportation Council (RTC) met on Thursday, April 19, 2018, at 1:00 pm in the Transportation Council Room of the North Central Texas Council of Governments (NCTCOG). The following members or representatives were present: Douglas Athas, Sara Bagheri, Sue S. Bauman, Loyl C. Bussell, Rickey D. Callahan, Theresa Daniel, David L. Cook, Rudy Durham, Andy Eads, Charles Emery, Kevin Falconer, Gary Fickes, Robert Franke, Sandy Greyson, Darrell Cockerham (representing Roger Harmon), Clay Lewis Jenkins, Ron Jensen, Jungus Jordan, Lee M. Kleinman, Rick Grady (representing Harry LaRosiliere), David Magness, Scott Mahaffey, B. Adam McGough, Williams Meadows, Steve Mitchell, Greg Noschese (representing Stan Pickett), Kelly Selman, Mike Taylor, Stephen Terrell, William Tsao, Oscar Ward, Duncan Webb, Kathryn Wilemon, W. Jeff Williams, and Ann Zadeh.

Others present at the meeting were: Vickie Alexander, David S. Arbukle, Rick Aubin, Greg Baker, John Baker, Tom Bamonte, Berrien Barks, Tara Bassler, Jonathan Blackman, Ron Brown, Mo Bur, David S. Cain, Marrk Callier, Maribel Chavez, Ceason Clemens, Michael Copeland, Leonidas Cossyphas, Jason Crawford, Brian Crooks, Mike Curtis, Inga Dedow, Kim Diederich, Chad Edwards, Kevin Feldt, Brian Flood, Garrett Gatewood, Matt Gauntt, Brooke Goggans, Philip Hiatt Haigh, Clint Hail, Phillip Hanley, Linda Harper Brown, Tony Hartzel, Rebekah Hernandez, Jodi Hodges, Ivan Hughes, Greg Janes, Dan Kessler, Daphne King, Ken Kirkpatrick, Ruben Landa, Russell Laughlin, April Leger, Ray Leszcynski, Casey Lindsey, Eron Linn, Ramiro Lopez, Paul Luedtke, Kate Marshall, Curtistene S. McCowan, Keith Melton, Craig Miser, Hotl Mitchell, Cesar Molina, Michael Morris, Jeff Neal, Evan Newton, Jonh Nguyen, Thua Nguyen, Jerry Nickerson, Mickey Nowell, Donald Parker, T.J. Patterson, James Powell, Vercie Pruitt-Jenkins, Chris Reed, Gary Roden, Mike Rogers, Moosa Saghian, Steve Salin, David S. Sander, Devin Sanders, Russell Schaffner, Steve Schoehkase, Lori Shelton, Walter Shumac, Chelsey Smith, Carol Strainburk, Dean Stuller, Vic Suhm, Steve Templer, Mark Titus, Jonathan Toffer, Dan Vedral, Mitzi Ward, B.J. Williams, Amanda Wilson, Brian Wilson, John Wright, and Susan Young.

1. **IH 635 East Phase 3: Proposed Partnership Tolling Certain Hours of the Day:**

Regional Transportation Council (RTC) Chair Rob Franke presented an overview of recent efforts to reach agreement with the Texas Transportation Commission (TTC) on the IH 635 East project. Since the April 12, 2018, RTC meeting, he noted that the TTC has reiterated its desire for the project to advance. TTC Chairman J. Bruce Bugg, Jr. previously requested that any mention of tolled managed lanes be removed from the resolution. The proposed TTC position places the RTC in a difficult position of not meeting commitments made to the public through the environmental review process, to the long-range transportation plan, to previous RTC requests and policies, and to requirements under federal law and Congestion Mitigation and Air Quality Improvement Program (CMAQ) fund requirements. As a result, the April 19 RTC meeting was called in order to allow staff an opportunity to meet the requests of the TTC while still advancing the project. RTC Chair Franke noted that despite efforts to continue discussions with Chairman Bugg he had been unable to reach him to discuss a resolution and that he did not have TTC confirmation that the resolution distributed at the meeting in Reference Item 1.1 would meet the needs of the TTC. North Central Texas Council of Governments (NCTCOG) staff have proposed edits to the resolution to meet the intent of recent discussions with Chairman Bugg and to demonstrate a transparent process that closes the funding gap. As noted last month, the relationship with the Texas

Department of Transportation (TxDOT) and the TTC is more important than the individual issue and that it is important that communication is maintained with partners in order to find a common solution to advance the project and meet the obligations of the region.

Michael Morris highlighted reference material distributed at the meeting. Correspondence from Chairman Bugg to RTC Chair Franke was provided at the meeting in Reference Item 1.8. Correspondence from Judge Clay Lewis Jenkins to the Office of the Governor was provided in Reference Item 1.9. A City of Denton resolution on the IH 635 East project was provided in Reference Item 1.10. The correspondence from Chairman Bugg was received on April 18 and addressed two points: 1) the draft meeting material for the April 19 RTC meeting was the same draft items proposed at the April 12 meeting that if adopted by the RTC would only serve to document the impasse between the RTC and the TTC, and 2) the main focus of concern is regarding closing the \$1 billion funding gap. Mr. Morris noted that the resolution provided in the meeting mail out material was provided as the draft position from the April 12 meeting and was not intended to document an impasse. Revised language was distributed at the meeting in Reference Item 1.1. Related to closing the funding gap, the TTC Chairman indicated that the RTC has never provided a complete funding plan for the project, but instead has provided a myriad of draft funding options and a specific proposal was requested. He noted that proposed revisions to the resolution address this request for a specific option to close the funding gap. Mr. Morris highlighted a portion of the slides from Electronic Item 4.6, noting continued efforts for IH 35W 3C, the anticipated funding shortfall for the region, and the growth rate of region as the largest in the United State from July 2016 to July 2017. He also highlighted the draft tolled managed lane system boundary proposed as a policy in the draft Mobility 2045 Plan and the federal responsibilities and legal implications of potential funding options. Next, he highlighted the pricing policy to toll for the purposes of repayment of a Transportation Infrastructure Finance and Innovation Act (TIFIA) loan or for traffic management and the related policy. He then highlighted graphics showing the existing project and the proposed project that will include four to six continuous frontage roads, ten general purpose lanes, and four tolled managed lanes that could be opened in the future.

Mr. Morris highlighted the draft correspondence and RTC resolution distributed to members at the meeting in Reference Item 1.1. He noted a sentence added in the draft correspondence encouraging members of the TTC and Governor's Office to drive the already completed section of IH 635 and the existing IH 635 East Phase 3 section. Proposed edits to the resolution were also presented. In the last "whereas" statement on Page 2 of the resolution, "and further alignment of advancing the IH 635 East project with both RTC and TxDOT as a non-tolled project" has been added to more accurately reflect Chairman Bugg's request. Next, Section 5 of the resolution was highlighted, which is the section that staff believed has not been in alignment with Chairman Bugg's request. "The RTC finds that the IH 635 East project should continue to include existing tolled managed lanes from US 75 to IH 30 consistent with RTC Policy P17-01. RTC proposes to align itself with the TTC by opening the IH 635 East project with no additional tolled managed lanes. The RTC instructs staff to develop a tolling policy for IH 635 East to minimize tolling for these purposes and to create non-tolled hours of operation." The section documents that there is an existing tolled managed lane in each direction on the project and that the project would be rebuilt with two to three lane frontage roads and five general purpose lanes in each direction. Tolled managed lane capacity of four lanes would be built, but the project would open with only one lane in each direction. This does not add additional tolled managed lanes when the project opens. Section 6 is new and indicates that the RTC wishes to partner with the Office of the Governor and the TTC by committing to the initiatives in

Attachment 1. In Section 8, a sentence was proposed that clarifies the Texas Transportation Commission does not need RTC approval to begin the procurement process. Section 10 of the resolution closes the funding gap as requested and proposed a "Complete Funding Plan" that includes \$2.4 billion in revenue for a projects estimated to cost \$1.6 billion consistent with the principles in the resolution and the implementation of a transportation system. Proposed revenues were provided in Attachment 2. Mr. Morris highlighted partnership opportunities provided in Attachment 1 to the resolution. Partnership opportunities include: 1) pursue federal discretionary funds to address funding equity concerns, 2) continue to evaluate substituting future toll roads for tolled managed lanes or un-tolled projects, 3) continue to evaluate substituting future tolled managed lane projects for un-tolled projects, 4) continue to pursue tolling of managed lanes for congestion pricing/reliability purposes, 5) continue to pursue a geography of less than 15 percent of the DFW region being considered for system tolling of managed lanes, 6) continue to pursue the "grandfathering" of this project due to staged history of 20 plus years, 7) continue to pursue an action plan for IH 635 East that does not halt air quality conformity and the ability to build transportation projects throughout the Dallas-Fort Worth region, 8) pursue a staged managed lane operation that opens the project to the existing on tolled managed lane in each direction or two reversible lanes, 9) if requested by TxDOT pursue a partnership with the North Texas Tollway Authority (NTTA) to operate tolled managed lanes in the IH 635 East corridor, and 10) if requested by TxDOT pursue the support of impacted State Senators to advance the strategic tolling approach of managed lane complements of the project. The proposed RTC recommended Complete Funding Plan in Attachment 2 of the resolution was also highlighted. The project has been estimated at approximately \$1.8 billion. TxDOT has also estimated a \$200 million savings in the project, bringing the approximately cost to \$1.6 billion. The Texas Transportation Commission has already approved \$720 million in funding for the project. Staff proposed to re-add the \$115 million in Category 2 funds that was removed from the project by the TTC in December. In addition, potential revenues include: \$200 million in preliminary engineering and right-of-way, \$50 million from the Trinity Parkway project, \$100 million in CMAQ funding to partner with other funding, \$150 million from the upcoming Summer 2018 Unified Transportation Program, \$400 million in pass through/unsolicited proposal funding, \$200 million from toll elements, \$165 million from a federal Infrastructure for Rebuilding America (INFRA) grant, and Commission consideration of \$300 million in Category 12 funds. Potential revenues total approximately \$2.4 billion on a \$1.6 billion project. A design-build contractor is needed to confirm the project cost, which is the RTC's request to the TTC.

Lee M. Kleinman noted that the proposed resolution did not seem materially different than the resolution that Chairman Bugg has asked not be sent to the TTC, and that he was challenged by the fact that the resolution still included tolling. Since the existing tolled managed lane on the project was originally a high-occupancy vehicle (HOV) lane, he asked if it could be converted back to an HOV lane or if there was any other option to remove the current tolled managed lane without negative implications related to CMAQ funding. Mr. Morris noted he was unaware of any option without negative implications. Mr. Kleinman also discussed the potential revenues for the project and noted that many seemed uncertain such as the INFRA grant and the unsolicited proposal. He also noted that he was interested in the partnership opportunities listed in Attachment 1 of the draft resolution. Specifically, he discussed the opportunity to pursue a partnership with the NTTA to operate tolled managed lanes in the IH 635 East corridor. He asked if NTTA originally had primacy in the entire IH 635 corridor. Mr. Morris noted that NTTA originally had primacy for the entire project. Mr. Kleinman noted that he believed before a resolution was provided to the TTC, the RTC should pursue conversations with stakeholders and the TTC Chairman to see if there is

interest in NTTA operating tolled managed lanes in the IH 635 East corridor. A motion was made to table the IH 635 East Phase 3 item and to direct the RTC Chair and staff to engage stakeholders regarding interest of the NTTA in providing some element of delivery of the project. Lee M. Kleinman (M); Andy Eads (S).

Douglas Athas noted that he was supportive of the motion to allow time to study other options and that he believed the proposed resolution does not meet the needs of the project. Sara Bagheri discussed the request from TxDOT of an affirmative action by the RTC repudiating the tolled managed lanes. She stated that Section 5 of the resolution states that there is alignment with the TTC's position that there would be no additional tolled managed lanes and that Section 8 states there are two tolled managed lanes in each direction. Mr. Morris noted that capacity for the four lane project would be built, but would not open more than the current number of lanes. Ms. Bagheri noted that she believed the resolution was well written, but that she did not know if the resolution would satisfy the TTC based on its request. She also noted that she shared the concerns of other members, but believed the proposed resolution was consistent with the RTC's position at the April 12 meeting and as a result she was uncertain that she could be supportive of the motion. Rickey D. Callahan noted the importance of passing a resolution that recorded the RTC's position in order to let the TTC know where the RTC stands. He expressed support for delaying a vote on the resolution, but that he would not be supportive of continued delays. Jungus Jordan noted his support for the resolution and discussed the unanimous opinion of the RTC that the project must move forward. Andy Eads noted that it was important for the action taken at the meeting to be fruitful and that he did not believe the resolution, as currently proposed, would accomplish that goal. He added that continued conversations were important and that it was Denton County's position that action on the resolution be delayed. Clay Lewis Jenkins commended the work of RTC staff. He noted that he did not disagree with the current motion, but wanted to be clear that support of the current motion should not be viewed as a lack of confidence in staff. He added that he believed bringing NTTA into the partnership may be a good option and that it was important to continue discussions. Steve Mitchell discussed the resolution as proposed at the meeting and noted that it reflected the discussion from the April 12, 2018, RTC meeting but did not meet the request of the Texas Transportation Commission. Adam McGough discussed recent efforts to reach a mutual position with the TTC, and that it seemed that despite efforts the RTC is not any closer to a resolution because the TTC has not provided any affirmation that the RTC is meeting the TTC's interest. He noted his appreciation to staff and his desire to meet the needs of his constituents. He offered his assistance to start a voter referendum for the City of Dallas to show the region's support for the project. He also noted his support to delay the vote for another month in order to continue working with partners to move the project forward. Sandy Greyson asked if staff expected NTTA to provide a quick answer if engaged by TxDOT. RTC Chair Franke noted that he would work to solicit any necessary conversation, but expected that due to the unique circumstances a quick response would not be expected. Mike Taylor encouraged members, whatever the outcome of the project, to consider implications to Texas' future especially considering the unique growth in the North Texas region. Theresa Daniel thanked staff for its efforts and noted that she was supportive of any action that moved the project forward and closer to the interests of the citizens and business communities directly impacted by the corridor. Kelly Selman noted that in conversations with the TTC Chairman, he has been very consistent about his statements of what it will take to release the Request for Qualifications (RFQ) and that whatever decision the RTC reached, he hoped it worked towards a discussion with the TTC Chairman to reach a compromise. He added that Loyl Bussell and he would be abstaining from the vote. Mr. Selman noted that until the RTC removes the tolling element, agrees to change the project in the Metropolitan

Transportation Plan, and agrees to reevaluate the environmental clearance the project will not move forward. David L. Cook suggested that the motion be bifurcated with one vote to table the item and another for the RTC Chair to communicate with TxDOT regarding interest in a partnership with NTTA. He noted he was supportive of the motion to table the item, but discussed how suggesting interest in NTTA building the tolled managed lanes when the TTC Chairman requested that the project be non-tolled seemed in opposition to the TTC's request. Mr. Kleinman noted that he did not see the benefit of bifurcating the motion. Mr. Eads added that he did not believe a formal letter was necessary to communicate with the TTC Chairman, and that the spirit of motion was to direct the RTC Chair to reach out and have conversations with TxDOT and NTTA. RTC Chair Franke clarified that he was not willing to circumvent TxDOT in any discussions. RTC Chair Franke restated the motion to table the IH 635 East Phase 3 resolution and direct the Chair initiate a discussion with stakeholders and the TTC, to whatever extent it is willing to participate, to gauge NTTA's interest in some aspect of the IH 635 East project. Progress will be reported to the RTC at the May 10, 2018, meeting. Andy Eads called the question. Kelly Selman and Loyl Bussell abstained from the vote. Sara Bagheri was opposed. The motion passed.

2. **Next Meeting:** The next meeting of the Regional Transportation Council is scheduled for 1:00 pm, Thursday, May 10, 2018, at the North Central Texas Council of Governments.

The meeting adjourned at 2:20 pm.