AMENDMENT TO THE MARKET VALUATION WAIVER AGREEMENT FOR SH 99 (GRAND PARKWAY)

This AMENDMENT TO THE MARKET VALUATION WAIVER AGREEMENT FOR SH 99 (GRAND PARKWAY) (the "**Amendment**") is made and entered into by and between the TEXAS DEPARTMENT OF TRANSPORTATION, an agency of the State of Texas ("**TxDOT**"), and each of BRAZORIA COUNTY, TEXAS, CHAMBERS COUNTY, TEXAS, FORT BEND COUNTY, TEXAS, GALVESTON COUNTY, TEXAS, HARRIS COUNTY, TEXAS, LIBERTY COUNTY, TEXAS AND MONTGOMERY COUNTY, TEXAS (all such counties, collectively the "**Counties**," and TxDOT and Counties, collectively the "**Parties**").

RECITALS

WHEREAS, TxDOT and the Counties entered into that certain Market Valuation Waiver Agreement for SH99 (Grand Parkway) dated March 25, 2009 (the "MVWA"), pursuant to which the Parties set forth the terms and conditions for the development of the Grand Parkway; and

WHEREAS, the Parties desire to amend the MVWA on terms set forth in this Amendment.

AGREEMENT

NOW, THEREFORE, in consideration of the covenants contained herein and for other good and valuable consideration, the receipt and adequacy of which are hereby acknowledged, the Parties hereto agree as follows:

1. Definitions. Each capitalized term used and not otherwise defined herein shall have the respective meanings assigned to such term in the MVWA.

2. SCHEDULE A, TERMS AND CONDITIONS FOR THE GRAND PARKWAY PROJECT, is amended as follows:

Item 4 is hereby added as follows:

4. Toll Rates for Non-Electronic Toll Transactions A Responsible Party may, in its discretion, set and determine toll rates for transactions involving vehicles that do not have a valid transponder or that are otherwise charged as non-electronic toll transactions, and such toll rates shall not be subject to the parameters regarding rates as set out in Item 2 or Item 3 of this Schedule A.

3. Exhibit A to Schedule A is amended as follows:

The fourth bullet point under General Notes concerning direct connectors is deleted and replaced as follows:

- Notwithstanding any provision of this Agreement to the contrary, direct connectors may be constructed at any interchange as determined by the Responsible Party upon obtaining the applicable environmental approvals. Such direct connectors may be constructed regardless of whether they are identified within the segment descriptions, and they may be constructed as part of the minimum project scope or at any time thereafter if the construction of such direct connectors does not result in a significant or material negative impact on the gross toll revenue for the Grand Parkway System as determined by traffic and revenue consultant.

4. Schedule B "Minimum Project Scope" is amended by deleting in its entirety Exhibit "B", SH 99 Minimum Project Scope and replacing with the following amended Exhibit "B."

Exhibit "B"
SH 99 Minimum Project Scope

Phases	**Segments**	**Segment Length (Miles)**
Phase 1 4-Lane Tollway	Segment D (IH 69 South to IH 10 West)	17.4
	Segment E (IH 10 West to US 290)	15.7
	Segment F1 (US 290 to SH 249)	12.4
	Segment F2 (SH 249 to IH 45 North)	12.6
	Segment G (IH 45 North to IH 69 North)	13.8
	Segment I2 (IH 10 East to SH 146)	15.7
	Sub-Total	**87.6**
Phase 2A 2-Lane Tollway	Segment H (Community Drive to US 90)	14.7
	Segment I1 (US 90 to IH 10 East)	14.8
	Sub-Total	**29.5**
Phase 2A 4-Lane Tollway	Segment B1 (IH 45 South to south of FM 2403)	13.8
	Segment B2 (north of FM 2403 to SH 288)	14.8
	Segment C1 (IH 69 South to FM 762)	9.0
	Segment C2 (FM 762 to SH 288)	17.9
	Segment H (IH 69 North to Community Drive)	8
	Sub-Total	**63.5**
	TOTAL	**180.6**

NOTES:

1) Any segment, or portion thereof, constructed at a 2-Lane minimum scope will be expanded to four lanes as necessary to maintain a Level of Service (LOS) C in accordance with the General Notes requirements of Schedule A Exhibit A Grand Parkway Terms and Conditions; or at any time the Responsible Party determines, in its sole discretion, that the expansion to four lanes is appropriate due to operational or safety reasons.

2) Any overpasses, ramps, and/or frontage roads or expansions of such described in the ultimate project scope description for any project segment may be constructed as part of the minimum project scope.

3) Notwithstanding any other provision of this Agreement to the contrary, the construction of Segment A is not included within the minimum project scope. The entirety of Segment A is included within the ultimate project scope.

SIGNATURE PAGE FOLLOWS

This Amendment is hereby EXECUTED by the Parties hereto in multiple counterparts, each of which shall constitute an original, to be effective on the date of the last signature below.

Texas Department of Transportation:

_____
Marc D. Williams, P.E., Executive Director

_____
Date

Brazoria County, Texas:

_____
L.M. "Matt" Sebesta, Jr., County Judge

_____
Date

Chambers County, Texas:

_____
Jimmy Sylvia, County Judge

_____
Date

Fort Bend County, Texas:

_____,
K. P. George, County Judge

_____
Date

Galveston County, Texas:

_____
Mark Henry, County Judge

_____
Date

Harris County, Texas:

_____,
Lina Hidalgo, County Judge

_____
Date

Liberty County, Texas:

_____
Jay H. Knight, County Judge

_____
Date

Montgomery County, Texas:

_____,
Mark J. Keough, County Judge

_____
Date

MARKET VALUATION WAIVER AGREEMENT FOR SH 99 (GRAND PARKWAY)

This MARKET VALUATION WAIVER AGREEMENT (this "Agreement") is made by and between the TEXAS DEPARTMENT OF TRANSPORTATION, an agency of the State of Texas ("TxDOT"), and each of BRAZORIA COUNTY, TEXAS, CHAMBERS COUNTY, TEXAS, FORT BEND COUNTY, TEXAS, GALVESTON COUNTY, TEXAS, HARRIS COUNTY, TEXAS, LIBERTY COUNTY, TEXAS, and MONTGOMERY COUNTY, TEXAS (all such counties, collectively, the "Counties," and TxDOT and the Counties, collectively, the "Parties"), for the purpose of waiving the requirement in Section 228.0111, Texas Transportation Code, to develop a market valuation for the SH 99 (Grand Parkway) Project (the "Grand Parkway Project" or the "Project").

RECITALS

WHEREAS, Senate Bill 792 enacted by the 80th Texas Legislature added Section 228.0111, Transportation Code, which defines a market valuation process for certain potential toll road projects, including the Grand Parkway Project (as used herein, "Section 228.0111" refers to such provision as in effect as of the effective date of this Agreement);

WHEREAS, Section 228.0111 contains provisions relating to development of a market valuation, based on terms and conditions that are agreed to by TxDOT and the local toll project entity (or entities) within the jurisdiction(s) of which a project is located, which in the case of the Grand Parkway Project are the Counties;

WHEREAS, with respect to the Grand Parkway Project, Section 228.0111 also requires that the terms and conditions be approved by the metropolitan planning organization for the region, which is the Houston-Galveston Transportation Policy Council ("TPC") of the Houston-Galveston Area Council ("HGAC"), the council of governments in the region that includes the proposed Grand Parkway;

WHEREAS, on June 26, 2008, the governing body of TxDOT, the Texas Transportation Commission ("TTC"), approved Minute Order 111410, in which it adopted certain policies regarding the market valuation process, including policies related to the criteria for entering into agreements required by Section 228.0111, including an agreement to waive development of a market valuation as authorized in Section 228.0111(f-l);

WHEREAS, terms and conditions for development of the Grand Parkway have been agreed to by TxDOT and the Counties and have been approved by the TPC (as agreed and approved, the "Terms and Conditions");

WHEREAS, TxDOT has evaluated the Terms and Conditions and other information and has determined that development of a market valuation for the Grand Parkway should be waived, such determination having been made in accordance with the provisions of Section 228.0111 and the policies included in Minute Order 111410.

AGREEMENT

In light of the foregoing, the Parties agree as follows:

1. Schedule A contains the Terms and Conditions for the development of the Grand Parkway Project.

2. The Grand Parkway Project will be a single project that will ultimately include the full scope of work included in the Terms and Conditions (the "ultimate project scope"). Subject to any one or more advance funding agreements that may be entered into between TxDOT and one or more of the Counties, the Project will be developed, financed, constructed and operated as a stand alone or independent facility, separate and distinct from any existing toll road system(s) operated by the Counties and pursuant to a definitive project agreement that will provide that toll revenues of the Project shall not be used for any purpose other than the Project until the ultimate project scope is completed.

3. The Party responsible for the development of the Project (the "Responsible Party") shall enter into one or more contracts for the construction of the minimum project scope, as defined in Schedule B. The contract or contracts for each segment of the minimum project scope shall be entered into as required by Section 228.0111.

4. Subsequent to the substantial completion of the entire minimum project scope described in Schedule B, the Responsible Party shall develop the remaining scope of the Project to achieve the ultimate project scope contained in the Terms and Conditions in Schedule A. The schedule for developing the remaining scope shall be subject to the Terms and Conditions in Schedule A, unless otherwise mutually agreed to by the Parties.

5. After completing the minimum project scope, but prior to completing the ultimate project scope, the Responsible Party may construct enhancements to the Project considered necessary or useful to the efficient operation and maintenance of the Project, such as additional lanes or direct connectors, that are not included in the ultimate project scope.

6. Development of a market valuation for the Grand Parkway Project is waived.

7. The foregoing waiver is a waiver of only the development of a market valuation and does not constitute a waiver of any other rights or obligations under Section 228.0111, including the first option of the Counties to develop, finance, construct and operate the Grand Parkway Project under the Terms and Conditions as set out in Schedule A.

8. If the Counties exercise their option to undertake the Project as defined by the Terms and Conditions and this Agreement, TxDOT acknowledges and agrees that the Counties may enter into agreements among themselves with respect to the Grand Parkway Project and use any and all authority available under applicable law for the development, financing, construction and operation of the Project, subject to the provisions of this Agreement.

9. The Counties may undertake advance or pre-construction work on all or any portion of the Project, but not final design or construction, subject to agreements between

TxDOT and the Counties that provide for reimbursement of costs to the Counties if the Counties are ultimately not the Responsible Party.

10. TxDOT will be responsible for obtaining required environmental approvals. If the Counties are ultimately the Responsible Party, they will pay or reimburse TxDOT for its costs incurred, after the date of this Agreement, for obtaining environmental approvals for the Project or for any other Project related work performed by TxDOT.

11. The Counties and TxDOT shall cooperate in developing and implementing a process for right-of-way designation and acquisition for the benefit of the Project.

12. TxDOT agrees that the proposed I-69/Trans Texas Corridor ("I-69/TTC") project and any comprehensive development agreement for I-69/TTC shall not preempt or impair any first option rights of the Counties with respect to the development, financing, construction or operation of any segment of the Project.

13. The Parties acknowledge that the recitals set forth above are true and correct. The Parties further agree that as of the date hereof each has fully complied with the market valuation requirements of Section 228.0111.

14. When the Parties agree that the ultimate project scope has been completed, this Agreement shall terminate, and the revenues of the Project may be used by the Responsible Party for any authorized purpose.

15. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and all of which shall constitute one and the same Agreement.

[Signature page follows]

This Agreement shall be effective as of the 25th day of MARCH, 2009.

TEXAS DEPARTMENT OF TRANSPORTATION

By: _____
Amadeo Saenz, P.E., Executive Director

GALVESTON COUNTY, TEXAS

By: _____

BRAZORIA COUNTY, TEXAS

By: _____

HARRIS COUNTY, TEXAS

By: _____

CHAMBERS COUNTY, TEXAS

By: _____

LIBERTY COUNTY, TEXAS

By: _____

FORT BEND COUNTY, TEXAS

By: _____

MONTGOMERY COUNTY, TEXAS

By: _____

This Agreement shall be effective as of the _____ day of _____, 2009.

TEXAS DEPARTMENT OF TRANSPORTATION

By:_____
Amadeo Saenz, P.E., Executive Director

GALVESTON COUNTY, TEXAS

By:_____

BRAZORIA COUNTY, TEXAS

By:_____

HARRIS COUNTY, TEXAS

By:_____

CHAMBERS COUNTY, TEXAS

By:_____

LIBERTY COUNTY, TEXAS

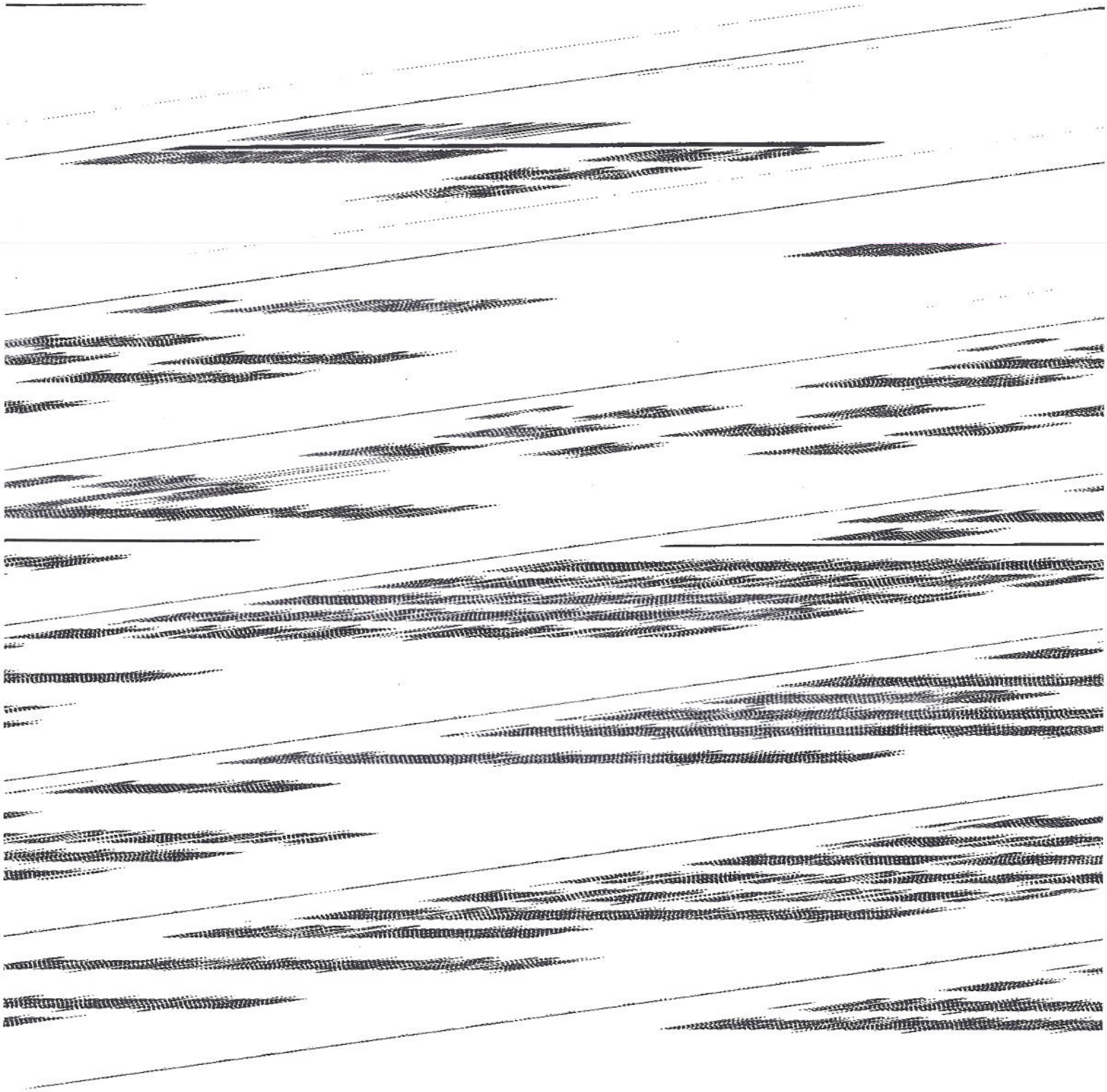
By:_____

FORT BEND COUNTY, TEXAS

By:_____

MONTGOMERY COUNTY, TEXAS

By:_____



This Agreement shall be effective as of the _____ day of _____, 2009.

TEXAS DEPARTMENT OF TRANSPORTATION

By:_____
Amadeo Saenz, P.E., Executive Director

GALVESTON COUNTY, TEXAS

By:_____

BRAZORIA COUNTY, TEXAS

By:_____

HARRIS COUNTY, TEXAS

By:_____

CHAMBERS COUNTY, TEXAS

By:_____

LIBERTY COUNTY, TEXAS

By:_____

FORT BEND COUNTY, TEXAS

By:_____

MONTGOMERY COUNTY, TEXAS

By:_____

This Agreement shall be effective as of the _____ day of _____, 2009.

TEXAS DEPARTMENT OF TRANSPORTATION

By:_____
Amadeo Saenz, P.E., Executive Director

GALVESTON COUNTY, TEXAS

By:_____

BRAZORIA COUNTY, TEXAS

By:_____

HARRIS COUNTY, TEXAS

By:_____

CHAMBERS COUNTY, TEXAS

By: 2-24-09

LIBERTY COUNTY, TEXAS

By:_____

FORT BEND COUNTY, TEXAS

By:_____

MONTGOMERY COUNTY, TEXAS

By:_____

This Agreement shall be effective as of the _____ day of _____, 2009.

TEXAS DEPARTMENT OF TRANSPORTATION

By:_____
Amadeo Saenz, P.E., Executive Director

GALVESTON COUNTY, TEXAS

By:_____

BRAZORIA COUNTY, TEXAS

By:_____

HARRIS COUNTY, TEXAS

By:_____

CHAMBERS COUNTY, TEXAS

By:_____

LIBERTY COUNTY, TEXAS

By:_____

FORT BEND COUNTY, TEXAS

By:_____
Robert Hebert, County Judge

Date: 2.24-09

ATTEST:_____
Dianne Wilson, County Clerk

MONTGOMERY COUNTY, TEXAS

By:_____

This Agreement shall be effective as of the 24th day of February, 2009.

TEXAS DEPARTMENT OF TRANSPORTATION

By:_____
Amadeo Saenz, P.E., Executive Director

GALVESTON COUNTY, TEXAS

By:_____

BRAZORIA COUNTY, TEXAS

By:_____

HARRIS COUNTY, TEXAS

By:_____

CHAMBERS COUNTY, TEXAS

By:_____

LIBERTY COUNTY, TEXAS

By:_____

FORT BEND COUNTY, TEXAS

By:_____

MONTGOMERY COUNTY, TEXAS

By:_____

This Agreement shall be effective as of the _____ day of _____, 2009.

TEXAS DEPARTMENT OF TRANSPORTATION

By:_____
Amadeo Saenz, P.E., Executive Director

GALVESTON COUNTY, TEXAS

By:_____

BRAZORIA COUNTY, TEXAS

By:_____

HARRIS COUNTY, TEXAS

By:_____

CHAMBERS COUNTY, TEXAS

By:_____

LIBERTY COUNTY, TEXAS

By:_____

FORT BEND COUNTY, TEXAS

By:_____

MONTGOMERY COUNTY, TEXAS

By:_____

SCHEDULE A

TERMS AND CONDITIONS FOR THE GRAND PARKWAY PROJECT

SH 99 Grand Parkway
Toll Project Market Valuation
Terms and Conditions

1.	Scope of Work	The Grand Parkway project will be a controlled access toll road from two to six lanes with overpasses at major intersections and direct connectors at interchanges with other major thoroughfares, all as more fully described in Exhibit A attached hereto.
2.	Initial Toll Rate	The initial toll rate for the Grand Parkway project will be a schedule of rates that will not exceed the average per mile toll rates for electronic toll transactions in force and effect for the Harris County toll road system, exclusive of any congestion priced toll corridor or managed lane project (the "HCTRA System Rates"), as of the date of opening of any segment of the Grand Parkway project. Such initial toll rate shall be no lower than the toll rates in effect as of September 1, 2008.
3.	Toll Rate Escalation Methodology	The toll rate escalation methodology for the Grand Parkway project will be the escalation methodology set forth in Harris County's tolling policy in force and effect as of any period of determination. Such methodology shall provide for an annual adjustment no less than the annual adjustment provided in Section II (A) of the current Harris County Tolling Policy. (A copy of the current Harris County tolling policy, which includes the current toll rate schedule and toll rate escalation methodology, is attached hereto as Exhibit B.).

GRAND PARKWAY TERMS AND CONDITIONS

EXHIBIT A

Toll Project Market Valuation - Draft Terms and Conditions
Grand Parkway Project Description

General Notes:

- Unless specifically identified in the project descriptions below, all new mainlane construction will be tolled.
- Unless specifically identified in the project descriptions below, no new frontage roads will be constructed.
- Expansion of the mainlanes will be constructed as necessary to maintain a Level of Service (LOS) C.
- Direct connectors identified within the segments are not required at the initial phase of the project; these will be constructed when they become necessary to maintain the LOS C similar to the expansion of the mainlanes.
- Overpass/interchange structures may be moved within individual segments at the provider's discretion, so long as the total number of overpass/interchange structures remains unchanged as identified below.
- TxDOT anticipates completing the environmental clearance process (through record of decision) for the entire project.
- Ancillary items, including but not limited to: barriers for access control, storm water detention, offsite drainage requirements, etc. as deemed necessary, are considered to be included in this project.
- Segments described below are subject to change.

Segment A (IH-45 South to SH 146)

General Note: The environmental process for Segment A has not been completed. The description for Segment A below has been provided as a possibility but will be modified as necessary to comply with the NEPA process.

For the purpose of this study, Segment A is proposed as a dual designation facility along IH-45 South between FM 646 and FM 1764. Mainlane overpasses will be constructed as toll facilities. The east/west connection between IH-45 and SH 146 will include the following improvements to FM 646 (approximately 6.5 miles) and FM 1764 (approximately 10.5 miles):

FM 646:

1) Third level bridge over IH 45
2) Full diamond interchange at SH 3 (4 ramps and mainlane bridge)
3) Full diamond interchange at FM 270 (4 ramps and mainlane bridge)
4) Full diamond interchange at FM 1266 (4 ramps and mainlane bridge)
5) Full diamond interchange at FM 3436 (4 ramps and mainlane bridge)
6) Overpass at railroad
7) Partial interchange at SH 146 (1 direct connector)

8) Widen or reconstruct (to be determined during the schematic design) the existing two lane facility to a four lane facility

FM 1764:

1) Partial interchange at SH 146 (3 direct connectors)

Segment B (SH 288 South to IH-45 South)

General Note – Segment B includes the dual designation of SH 35 and SH 99 within the city limits of Alvin. TxDOT will continue to maintain the SH 35 frontage roads. The segment of new mainlanes, SH 99, within Alvin city limits will be maintained by the facility provider.

Segment B is a proposed 28.6-mile four-lane controlled access toll road with intermittent frontage roads from SH 288 to IH 45 South through Brazoria and Galveston Counties. In general, the mainlane typical section consists of four 12 ft-lanes, rural toll road with depressed median, 6 ft inside and 10 ft outside shoulders, including:

1) Third level bridge over SH 288
2) New location frontage roads east of SH 288 to future extension of Old School Road/CR 60
3) Partial diamond interchange at future extension of Old School Road/CR 60 (2 ramps southeast of Old School Road/CR 60 and mainlane bridge)
4) Overpass at first crossing of South Texas Water Company Canal
5) Overpass at future extension of CR 67/Manvel Pt. Road
6) Full diamond interchange at FM 1462 (4 ramps and mainlane bridge)
7) Overpass at second crossing of South Texas Water Company Canal where the canal and Brunner Ditch
8) Full diamond interchange at future CR 511/Russell Road (4 ramps and mainlane bridge)
9) Overpass at third crossing of South Texas Water Company Canal where the canal and Brunner Ditch
10) Two additional overpasses at South Texas Water Company Canal to be included in cost estimate
11) Spread diamond interchange at interchange of SH35/SH99 and CR192/Liverpool Spur (4 ramps and mainlane overpass)
12) New location frontage roads north of SH 35 near CR 192/Liverpool Spur which will tie into existing SH 35 frontage road near FM 1462
13) Overpass at West Fork Chocolate Bayou (mainlane and frontage bridges)
14) Overpass at Chocolate Bayou (mainlane and frontage bridges)
15) Overpass at FM 2917/CR 191
16) Overpass at Briscoe Canal (mainlane and frontage bridges)
17) Overpass at Briscoe Canal branch (mainlane and frontage bridges)
18) Partial X-pattern interchange at proposed extension of CR 890 (2 ramps south of CR 890 and mainlane bridge
19) Two ramps north of Mustang Bayou)

20) Overpass at M-1 Ditch Mustang Bayou (Mainlane and frontage bridges)
21) Overpass at FM 1462
22) FM 1462 intersection improvements
23) Partial diamond interchange at Mustang Street/CR 158 (2 ramps north of Mustang Street and mainlane bridge)
24) Mustang Street intersection improvements
25) Overpass at Fairway Drive
26) Partial X-pattern interchange at Fulton Drive/South Street (2 ramps north of Fulton Drive/South Street and mainlane bridge over Mustang Bayou and Fulton Drive/South Street)
27) Partial X-pattern interchange at House Street (2 ramps south of House Street and mainlane bridge over House Street, BNSF Railroad, and SH6)
28) Partial diamond interchange at SH 6 (2 ramps north of SH 6; mainlane bridge included with RR bridge above)
29) Partial diamond interchange at FM 517/Dickinson Road (2 ramps north of FM517 and mainlane bridge)
30) Partial interchange east of SH 35 (4 direct connectors) providing access from east of SH 35 to/from northbound and southbound SH 35
31) Overpass at Clifford Street
32) Overpass at Siphon Ditch
33) Overpass at Dickinson Flume Bayou
34) Overpass at Dickinson Bayou
35) Overpass at first crossing of the American Canal
36) Full diamond interchange at proposed realignment of Maple Leaf Drive (4 ramps and mainlane bridge) (AKA Algoa-Friendswood Road)
37) Overpass at second crossing of the American Canal
38) Full diamond interchange at proposed Bay Area Boulevard (4 ramps and mainlane bridge)
39) Full diamond interchange at future Landing Street (4 ramps and mainlane bridge)
40) Overpass at ditch west of proposed Landing Street
41) Overpass at ditch east of proposed Landing Street
42) Overpass at Hobbs Road
43) Full diamond interchange at Calder Road (4 ramps and mainlane bridge)
44) Overpass at Magnolia Bayou
45) New location frontage roads east of Calder Road to the existing intersection of FM 646 and IH 45 South southbound frontage road/Replace FM 646 within these limits
46) Overpass at proposed FM 646 T-intersection and Magnolia Bayou
47) Partial interchange west of IH 45 (4 direct connectors) providing access from southbound and northbound IH 45 to westbound Grand Parkway

Notes:

Design of Calder Road to IH45 may change due to Segment A decisions and input from Galveston County regarding designs.

Segment C (US 59 South to SH 288 South)

Segment C is a proposed 26.9-mile four-lane controlled access toll road with intermittent frontage roads from US 59 (Southwest Freeway) to SH 288 through Fort Bend and Brazoria Counties. The general mainlane typical section consists of four 12 ft-lanes, rural toll road with depressed median, 6 ft inside and 10 ft outside shoulders, including:

1) Third level bridge over US 59 South
2) Partial interchange at US 59 South (4 direct connectors)
   (Originally deleted per Bill Jameson email dated February 15, 2008 but direction given to leave in for cost estimate purposes b/c it will eventually be warranted and must be accounted for)
3) Extend frontage road from US 59 South to Rabbs Bayou; Replace Crabb River Road
4) Full diamond interchange at Sansbury Boulevard and Crabb River Road (4 ramps and mainlane bridge over both cross streets and Rabbs Bayou)
5) Partial diamond interchange at FM 762/Thompsons Road (2 ramps north of FM 762/Thompsons Road and mainlane bridge over cross street and BNSF Railroad)
6) Overpass at, and extension of, Reading Road from Berdett Road to FM 762
7) FM 762 relocated east of Segment C from south of BNSF Railroad to north of proposed extension of Reading Road
8) Full diamond interchange at the future extension of Meyers Road (4 ramps and mainlane bridge)
9) Overpass at Dry Creek
10) Full diamond interchange at future road into George Ranch (location TBD)
11) Full diamond interchange at first crossing of FM 762 (4 ramps and mainlane bridge) southwest of the George Ranch Historical Park
12) Overpass at second crossing of FM 762 southwest of the George Ranch Historical Park
13) Full diamond interchange at third crossing of FM 762 (4 ramps and mainlane bridge) south of Brazos Lake Subdivision
14) Overpass at first crossing of Big Creek
15) Full diamond interchange at future extension of Peters Road (4 ramps and mainlane bridge)
16) Overpass at second crossing of Big Creek and the Big Creek Diversion Channel
17) Relief structure at Walter's Lake Bayou
18) Relief structure at Walter's Lake Relief Channel
19) Three relief structures (culverts) to aid drainage of Brazos River Flood Plain during flood events 3 miles north of the Brazos Bend State Park
20) Overpass at a future Ft. Bend County thoroughfare
21) Overpass at Brazos River (Ft. Bend County/Brazoria County Line)
22) Four relief structures (culverts) to aid drainage of Brazos River Flood Plain during flood events along northern limits of Texas Department of Criminal Justice Darrington Unit

23) Overpass at Cow Lake along northern limits of Texas Department of Criminal Justice Darrington Unit
24) Overpass at Oyster Creek along northern limits of Texas Department of Criminal Justice Darrington Unit
25) Full diamond interchange at FM 521 (4 ramps and mainlane bridge)
26) Overpass at CR 54
27) Overpass at CR 53
28) Three culverts between CR53 and CR48
29) Partial diamond interchange at CR 48 (2 ramps west of CR 48 and mainlane bridge)
30) New location frontage roads east of CR 48 will tie into SH 288 northbound frontage road along CR 60
31) Partial interchange west of SH 288 (4 direct connectors) providing access from west of SH 288 to/from northbound and southbound SH 288
32) 8.62 miles of approx. 10' fill material needed to raise toll road above the 100 year flood plain
33) Culverts at Gap Slough, Dry Creek Tributary, Dutch John's Tributary, Big Creek Tributary, and Oyster Creek Relief Channel

Segment D (US 59 to FM1093/Westpark Tollway)

General Note - This project includes taking over the operation, expansion, and maintenance requirements of the existing facility between US 59 (Southwest Freeway) to IH 10.

Segment D is 5 miles from FM 1093/Westpark Tollway to IH 10. This segment has no proposed improvements but will be considered part of the project for maintenance. The segment from south of Fry Road to north of Kingsland Boulevard currently exists as a free road and will continue to be a free facility.

Segment D is 12.4 miles from US 59 to FM 1093/Westpark Tollway through Fort Bend County. The existing facility which has been open to the public since August 31, 1994 consists of intermittent frontage roads, mainlanes and frontage roads, or mainlanes only. Mainlane overpasses from US 59 to FM 1093/Westpark Tollway will be constructed as toll facilities when travel demand warrants. The general mainlane typical section consists of four 12 ft-lanes with depressed median, tolled overpasses, 6 ft inside and 10 ft outside shoulders, including:

1) Bridge at West Riverpark Drive with two ramps south of West Riverpark Drive that would function as ultimate entrance and exit ramps for future DC's
2) Mainlane bridges over Ellis Creek and New Territory Boulevard
3) Mainlanes from north of FM1464 to south of Sandhill with bridge over Bullhead Slough and bridge over FM1464/US90A/Sandhill
4) Two proposed northbound non-tolled mainlanes with shoulders from north of FM1464 to south of West Airport Blvd with bridges at Oyster Creek and Owens Road

5) Bridges at Harlem Road and West Airport Road with connecting mainlane for spread diamond interchange
6) Overpasses at Morton Road and Mason Road with connecting mainlane for spread diamond interchange
7) Overpass at future Peek Road
8) Overpass at Bellaire Boulevard
9) Overpass at Westpark Tollway/FM 1093
10) Partial interchange at Westpark Tollway/FM 1093 (2 direct connectors)

Segment E (IH 10 West to US 290)

Segment E is a proposed 15.7 mile four-lane controlled access toll road with intermittent frontage roads from IH 10 West to US 290 (Northwest Freeway) through Harris County. The general mainlane typical section consists of four 12 ft-lanes, rural toll road with depressed median, 6 ft inside and 10 ft outside shoulders, including:

1) Partial interchange of IH10(W) (6 direct connectors)
2) Third level bridge over IH 10 and Mercantile Parkway
3) Partial diamond interchange at Colonial Parkway (2 ramps south of Colonial Parkway and mainlane bridge)
4) Mainlanes south of Franz Road to ramps north of Colonial Parkway with bridge over Mason Creek
5) Full diamond interchange at Franz Road (4 ramps and mainlane bridge)
6) New location frontage roads from Franz Road to Morton Road
7) Full diamond interchange at Morton Road (4 ramps and mainlane bridge)
8) Full diamond interchange at Clay Road (4 ramps and mainlane bridge over Clay Road and Mayde Creek)
9) Overpass at Stockdick School Road
10) Overpass at Beckendorf Road
11) Overpass at Bear Creek
12) Full diamond interchange at FM 529 (4 ramps and mainlane bridge with modification to Stockdick School Road)
13) Overpass at future Longenbaugh Road
14) Full diamond interchange at future Tuckerton Road (4 ramps and mainlane bridge)
15) Full diamond interchange at future South Bridgelands Lake Parkway (4 ramps and mainlane bridge)
16) Full diamond interchange at future North Bridgelands Lake Parkway (4 ramps and mainlane bridge)
17) Bridge at Cypress Creek
18) Full diamond interchange at future Louetta Road (4 ramps and mainlane bridge)
19) Overpass at future Mound Road
20) New location frontage roads from future Louetta Road to US 290
21) Partial interchange at US 290 (4 direct connectors)

22) Depressed frontage road intersection under railroad tracks and US 290 mainlane bridge with pump station and drainage channel
23) Third level mainlane bridge over US 290 & RR Tracks

Segment F-1 (US 290 to SH 249)

Segment F-1 is a proposed 12.4-mile four-lane controlled access toll road with intermittent frontage roads from US 290 (Northwest Freeway) to SH 249 (Tomball Parkway) through Harris County. The general mainlane typical section consists of four 12 ft-lanes, rural toll road with depressed median, 6 ft inside and 10 ft outside shoulders, including:

1) Overpass at Cypresswood Drive
2) New location frontage roads from US290 to future Cumberland Ridge
3) Full diamond interchange at future Cumberland Ridge (4 ramps and mainlane bridge)
4) Overpass at Schiel Road
5) Bridge at Little Cypress Creek
6) Overpass at future Bauer Hockley Road
7) Full diamond interchange at Mueschke Road (4 ramps and mainlane bridge)
8) Full diamond interchange at Cypress-Rosehill Road (4 ramps and mainlane bridge)
9) Channelize of Willow Creek, Sizable Detention Areas, New Diversion Channel, Improvements to Telge Rd and Selph Lane Overpass at Willow Creek and 3 drainage channels
10) Full diamond interchange at Telge Road (4 ramps and mainlane bridge)
11) Partial diamond interchange at Old Boudreaux Road (2 ramps west of Old Boudreaux Road; mainlane bridge is part of 3rd level SH249 bridge)
12) New location frontage roads from Old Boudreaux Road to SH 249
13) Third level bridge over old Boudreaux Road, SH 249 and new Boudreaux Road
14) Partial interchange at SH 249 (4 direct connectors)

Segment F-2 (SH 249 to IH 45 North)

Segment F-2 is a proposed 12.6-mile four-lane controlled access toll road with intermittent frontage roads from SH 249 (Tomball Parkway) to IH 45 (North Freeway) through Harris County. The general mainlane typical section consists of four 12 ft-lanes, rural toll road with depressed median, 6 ft inside and 10 ft outside shoulders, including:

1) New location frontage from SH 249 to new Boudreaux Road with two ramps east of new Boudreaux Road
2) Overpass at HCFCD Channel east of New Boudreaux Road
3) Overpass at Huffsmith-Kohrville & UPRR
4) Spread diamond interchange at Champions Forest and GleannLoch Forest Drive (4 ramps and two one mainlane bridges over cross streets)

5) New location frontage roads along existing Boudreaux Road from GleannLoch Forest Drive to FM 2920
6) Full diamond interchange at FM 2920 (4 ramps, depressed mainlanes with pump station)
7) Northbound connection to Boudreaux Road east of FM2920
8) Overpass at collector road in Lakes of Avalon
9) Spread diamond interchange at Kuykendahl and Spring Stuebner (4 ramps and one mainlane bridge over both cross streets and connecting frontage road)
10) Overpass at Northcrest Drive
11) Full diamond interchange at Gosling (4 ramps and mainlane bridge)
12) Overpass at Rothwood Drive & UPRR
13) Overpass at Spring Creek Tributary east of Rothwood
14) Overpass at Mossy Oaks Drive
15) Full diamond interchange at future Holzwarth Road (4 ramps and mainlane bridge)
16) New location frontage roads from IH 45 to future collector road (4 ramps to/from IH45)
17) Third level bridge over future collector road, IH 45 North and Northgate Crossing
18) Partial interchange at IH 45 North (4 direct connectors)

Segment G (IH 45 North to US 59 North)

Segment G is a proposed 13.8-mile four-lane controlled access toll road with intermittent frontage roads from IH 45 (North Freeway) to US 59 (Eastex Freeway) through Harris and Montgomery Counties. The general mainlane typical section consists of four 12 ft-lanes, rural toll road with depressed median, 6 ft inside and 10 ft outside shoulders, including:

1) Overpass at East Hardy Rd and UPRR
2) Bridge over Hardy Toll Road and Spring Creek
3) Partial interchange at Hardy Toll Road (4 direct connectors)
4) Partial x-pattern interchange at mainlane overpass of Riley-Fuzzel Road (2 ramps east of Riley-Fuzzel Road and mainlane bridge)
5) Full x-pattern interchange at Rayford Road (4 ramps and mainlane bridge)
6) Partial x-pattern interchange at future Birnham Woods (2 ramps east of future thoroughfare and mainlane bridge)
7) Overpass at Woodsons Gully (mainlane and frontage roads)
8) Interchange at future Townsen Boulevard (2 diamond ramps to the east, 2 x-ramps to the west and mainlane bridge)
9) New location frontage roads from east of Townsen Boulevard to Spring Creek along Riley-Fuzzel Road
10) Overpass at San Jacinto River
11) Overpass at Riverwalk Drive extension (Location TBD)
12) Full diamond interchange at FM 1314 (4 ramps and mainlane bridge)
13) Overpass at Timberland

14) Overpass at Erica Court
15) Overpass at White Oak Creek (mainlane and frontage roads)
16) Partial diamond interchange at future Valley Ranch Road (2 ramps west of Valley Ranch Road and mainlane bridge)
17) New location frontage roads from future Valley Ranch Road to US 59 North
18) Partial interchange at US 59 North (4 direct connectors)

Segment H (US 59 North to US 90 East)

General Note: The environmental process for Segment H has not been completed. The description for Segment H below has been provided as a possibility but will be modified as necessary to comply with the NEPA process.

Segment H is located on the northeast side of the greater Houston metropolitan area from US 59 (N) to US 90 (E) in Liberty, Harris, and Montgomery Counties, a distance of approximately 22.7 miles. The general mainlane typical section consists of four 12 ft-lanes, rural toll road with depressed median, 6 ft inside and 10 ft outside shoulders, including:

The following project description is not consistent with the proposed DEIS. Changes in the alignment may occur. Comments for the segment from US90 north and west towards FM2100 are subject to change.

1) Third level bridge over US 59
2) New location frontage roads from US 59 North to Loop 494
3) Overpass at Loop 494 and railroad
4) Full diamond interchange at Future Thoroughfare (4 ramps and mainlane bridge over cross street)
5) Overpass at Caney Creek and Baptist Encampment Road
6) New location frontage roads from FM 1485 west of Red Bud Drive to FM 1485 west of East Fork San Jacinto River
7) Frontage Road Overpass westbound at Peach Creek
8) Mainlane Overpass at Mansion Road, Scott Gardner, and Peach Creek (with 2 ramps)
9) Full diamond interchange at proposed Galaxy Blvd. and Future Park Entrance (4 ramps and mainlane bridge over cross street)
10) Mainlane overpass at East Fork San Jacinto River
11) Full diamond interchange at Huffsmith-Cleveland Road (4 ramps and mainlane bridge over cross street)
12) Proposed culvert crossing
13) Full diamond interchange at Future Thoroughfare (4 ramps and mainlane bridge over cross street)
14) Proposed culvert crossing
15) Proposed culvert crossing
16) Full diamond interchange at Future Community Drive (4 ramps and mainlane bridge over cross street)

17) Bridge over Luce Bayou
18) Proposed culvert crossing
19) Overpass at Luce Bayou Basin Transfer Alternative
20) Full diamond interchange at Future Road (4 ramps and mainlane bridge over cross street)
21) Full diamond interchange at FM 686 (4 ramps and mainlane bridge over cross street)
22) Overpass at railroad
23) Rebuild CR 614 over SH 99
24) Full diamond interchange at FM 1960 (4 ramps and mainlane bridge over cross street)
25) Some improvements necessary at surrounding county roads impeded by SH 99
26) Full three-level diamond interchange at US 90A (4 ramps and mainlane bridge over cross street and railroad)

Segment I-1 (US 90 East to IH 10 East)

General Note: The environmental process for Segment I-1 has not been completed. The description for Segment I-1 below has been provided as a possibility but will be modified as necessary to comply with the NEPA process.

Segment I-1 is located on the northeast side of the greater Houston metropolitan area and spans the area from US 90 (E) to IH 10 (E) in Chambers and Liberty Counties, a distance of approximately 14.8 miles. The general mainlane typical section consists of four 12 ft-lanes, rural toll road with depressed median, 6 ft inside and 10 ft outside shoulders, including:

1) Proposed culvert crossing
2) Proposed culvert crossing
3) Overpass at canal
4) Proposed culvert crossing
5) Proposed culvert crossing
6) Full diamond interchange at FM 1413 (4 ramps and mainlane bridge over cross street)
7) Full diamond interchange at Future Road (4 ramps and mainlane bridge over cross street)
8) Overpass at CR 479 and railroad
9) Overpass at Dayton Canal/Lynchburg Canal
10) Overpass at pipeline north of SH 146
11) Full diamond interchange at SH 146 (4 ramps and mainlane bridge over cross street and pipeline corridor)
12) Overpass at CIWA north of FM 565
13) Full diamond interchange at FM 565 (4 ramps and mainlane bridge over cross street)
14) Overpass at CIWA south of FM 565

15) Partial diamond interchange at Future Thoroughfare (2 ramps north of Future Thoroughfare and mainlane bridge)
16) New location frontage roads from north of Future Thoroughfare to IH 10
17) Third level bridge over IH 10
18) Partial interchange north of IH 10 (4 direct connectors)

Segment I-2 (FM 1405 to SH 146)

Segment I-2 is approximately 6.0 miles located in Baytown between FM 1405 and SH 146 in Chambers and Harris County. The general mainlane typical section consists of four 12 ft-lanes, rural toll road with depressed median, 6 ft inside and 10 ft outside shoulders, including:

1) Overpass at FM 1405
2) New location frontage roads from FM 1405 to east of Cedar Bayou
3) X-pattern ramps east of Cedar Bayou (2 ramps east of Cedar Bayou)
4) New westbound Cedar Bayou Bridge
5) New location frontage roads from west Cedar Bayou to SH 146 near Wyoming
6) X-pattern ramps west of Cedar Bayou (2 ramps west of Cedar Bayou)
7) Overpass at Tri Cities Beach Road
8) Partial diamond interchange at BS 146 (2 ramps west of BS 146 and mainlane bridge)
9) Overpass at UPRR and Main Street
10) Partial X-pattern interchange at Lee Causeway (2 ramps west of Lee Causeway and mainlane bridge)
11) Overpass at Goose Creek (mainlane and frontage roads)
12) Overpass at Wyoming Street

Segment I-2 ~ Currently open to traffic (IH-10 (E) to FM 1405)

Segment I-2 is approximately 9.7 miles located in Baytown between FM 1405 and IH 10 East in Chambers County. This segment was recently constructed and opened to traffic. The right of way has been purchased to allow for interchanges at three future thoroughfares. The mainlane bridges will be constructed as noted below. The general mainlane typical section consists of four 12 ft-lanes, rural toll road with depressed median, 6 ft inside and 10 ft outside shoulders, including:

1) Mainlane overpass at Future Thoroughfare A
2) Mainlane overpass at Future Thoroughfare B
3) Mainlane overpass at Future Thoroughfare C

GRAND PARKWAY TERMS AND CONDITIONS

EXHIBIT B

HARRIS COUNTY
PUBLIC INFRASTRUCTURE DEPARTMENT

1001 Preston, 5th Floor
Houston, Texas 77002
(713) 755-4400

Vote of the Court:	Yes	No	Abstain
Judge Emmett			
Comm. Lee			
Comm. Garcia			
Comm. Radack			
Comm. Eversole			

June 13, 2007

Commissioners Court
Administration Building
Houston, Texas 77002

SUBJECT: Recommendation that a toll increase and toll setting policy for the toll road system be approved.

Dear Court Members:

It is recommended that a toll increase and toll setting policy for the County's toll road system be approved. Attached is a memo (an updated version of the memo published on 6-12-07) that explains the operational and financial justifications for this proposed toll increase that, if approved, would generate approximately $65 million in additional annual revenue for ongoing and future maintenance, debt service, and improvements to the system. I have asked our management staff and financial consultants to be available to discuss these matters in court.

Sincerely,

Arthur L. Storey, Jr., P.E.
Executive Director

Attachment
cc: Dick Raycraft
Gary Stobb
Barbara Schott
Mike Stafford
Jack McCown
Jackie Freeman

PIO
Aud
Budget (Greg)

HARRIS COUNTY
MANAGEMENT SERVICES
07 JUN 13 AM 9:27

Presented to Commissioner's Court

JUN 19 2007
APPROVE RIG

Recorded Vol Page

050061907

On this the 19th day of June, 2007, the Commissioners Court of Harris County, Texas, sitting as the governing body of Harris County, at a regular meeting of the Court, upon motion of Commissioner Radack, seconded by Commissioner Garcia, duly put and unanimously carried,

IT IS ORDERED that a toll increase and toll setting policy for the toll road system as requested by the Public Infrastructure Department be approved, as presented.

The vote of the Court on the above Motion was as follows:

AYES:	Five (Judge Emmett, Commissioners Lee, Garcia, Radack, and Eversole)
NOES:	None
ABSTENTIONS:	None

Presented to Commissioner's Court

JUN 19 2007

APPROVE _____

Recorded Vol____ Page____

HARRIS COUNTY
PUBLIC INFRASTRUCTURE DEPARTMENT
1001 Preston, 5th Floor
Houston, Texas 77002
(713) 755-4400

MEMORANDUM

DATE: June 12, 2007 (Revised 6-13-07)

TO: County Judge Ed Emmett
Commissioner El Franco Lee — Commissioner Steve Radack
Commissioner Sylvia Garcia — Commissioner Jerry Eversole

CC: Gary Stobb, Barbara Schott, Jackie Freeman, Dick Raycraft, Edwin Harrison, Peter Key, Mike Stafford, John Barnhill, Jack McCown

FROM: Art Storey 6/13/07

SUBJECT: **Recommended toll increase / rate-setting policy – Harris County Toll Road Authority**

It is recommended that system-wide and special toll rate adjustments and toll setting policies be adopted for the Harris County Toll Road Authority (HCTRA). These recommendations result from the business planning process which began with the system value studies in 2006 and continued through evaluations by HCTRA's three consultants: First Southwest Company, J.P. Morgan-Chase, and Wilbur Smith Associates.

It is considered that adoption of these recommendations will:

1. balance growth of the HCTRA system
2. bolster the County's ability to provide for future infrastructure, and
3. maintain the financial strength and strong fund balances that we possess today.

Details of the recommendations, with operational and financial justifications follow.

I. Recommended Toll Increase

A. System-Wide

A system-wide rate increase of $0.25 for mainlane plaza and ramp transactions is recommended. This increase is in line with past toll increases (the last adjustment was a $0.25 mainlane increase implemented in November 2003), resulting in rates of $1.25 for mainlane EZ TAG transactions, $1.50 for mainlane cash transactions, and all ramps being tolled at either $0.75 or $1. Recommended exceptions:

- Ramps currently tolled at $1 will remain unchanged for Class 2 (2-axle) vehicles.
- The Ship Channel Bridge rates will remain unchanged to bring mainlane toll rates and the Ship Channel Bridge rates closer to equal.

- Mainlane and ramp toll rates for Class 5 (5-axle) and Class 6 (6-axle) vehicles will have an increase that is a multiple of the Class 2 (2-axle) vehicle rate, which will increase each class by a maximum of $1.25.
- Westpark ramps currently tolled at $0.25 will increase by $0.10. Toll rates for Class 3 (3-axle) and Class 4 (4-axle) vehicles will not change.
- Westpark ramps currently tolled at $0.35 and $0.50 will increase by $0.15. Toll rates for Class 3 (3-axle) and Class 4 (4-axle) vehicles will not change.
- Further, peak-period increases (referred to as time-of-day pricing) over and above the adjusted base toll are recommended for the Westpark Tollway, and are discussed further below.

As part of the rate increase, it is recommended that large trucks (Class 5 and Class 6) incur a higher toll increase since they inflict a disproportionate impact on the life of the system (pavement wear, debris, etc.).

B. Westpark: Time-of-Day Pricing

In order to improve the level of service currently offered by the Westpark Tollway, it is recommended that time-of-day pricing be established for this tollway. Mainlane tolls during peak periods (6-9 AM & 4-7 PM) in the peak direction of travel should increase by $1.25 (to a toll of $2.50). This limited access tollway, having been fully operational less than two (2) years, now experiences gridlock during peak periods of travel (range of speed is 10 - 25 MPH). This decrease in service is partly due to a 21% increase in total transactions within the past year. Furthermore, Westpark lies in a constrained corridor that prevents HCTRA - at present - from expanding the road's capacity. The time-saving value offered to drivers for their toll has diminished as this tollway has become more congested. The recommendation is to increase the toll to $2.50, in order to reduce peak-period traffic volume and increase the peak period traffic speed closer to 50 MPH.

II. Recommended Toll Rate-Setting and Debt Management Policy

The proposed toll rate-setting policy calls for rational and systematic increases in tolls that:

- do not supersede toll rate covenants,
- maintain an investment grade rating for HCTRA of at least "A,"
- are commensurate with toll rate policies associated with private operators of toll roads,
- allow for continued maintenance and orderly improvement of the HCTRA system.

The policy is recommended to be re-evaluated every five (5) years to confirm that the policy is maintaining its designed purpose.

A. For Non-Constrained Cash and EZ TAG Segments
(Sam Houston Tollway, Hardy Toll Road, Fort Bend Parkway Extension)

It is recommended that tolls be adjusted annually at the greater of (a) 2%, or (b) the consumer price index (CPI) that correlates with the Harris County economy. Cash rates should be rounded to the nearest quarter, and EZ TAG rates rounded to the nearest nickel, but always less than or equal to the cash rate. The following chart provides an example of the minimum toll rate increases that would occur with this policy.

Year	Computed EZ TAG	Effective EZ TAG Rate	EZ TAG Escalator	Computed Cash Toll	Effective Cash Toll	Computed Toll Escalator	Differential Between EZ TAG and Cash
0	1.25	$1.25		$1.50	$1.50		$0.25
1	1.25	$1.25	2.50%	$1.50	$1.50	2.50%	$0.25
2	1.28	$1.30	2.50%	$1.54	$1.50	2.50%	$0.20
3	$1.31	$1.30	2.50%	$1.58	$1.50	2.50%	$0.20
4	$1.35	$1.35	2.50%	$1.62	$1.50	2.50%	$0.15
5	$1.38	$1.40	2.50%	$1.66	$1.75	2.50%	$0.35
6	$1.41	$1.40	2.50%	$1.70	$1.75	2.50%	$0.35
7	$1.45	$1.40	2.50%	$1.74	$1.75	2.50%	$0.35
8	$1.49	$1.45	2.50%	$1.78	$1.75	2.50%	$0.30
9	$1.52	$1.50	2.50%	$1.83	$1.75	2.50%	$0.25
10	$1.56	$1.55	2.50%	$1.87	$1.75	2.50%	$0.20
11	$1.60	$1.60	2.50%	$1.92	$2.00	2.50%	$0.40
12	$1.64	$1.65	2.50%	$1.97	$2.00	2.50%	$0.35
13	$1.68	$1.70	2.50%	$2.02	$2.00	2.50%	$0.30
14	$1.72	$1.70	2.50%	$2.07	$2.00	2.50%	$0.30
15	$1.77	$1.75	2.50%	$2.12	$2.00	2.50%	$0.25
16	$1.81	$1.80	2.50%	$2.17	$2.25	2.50%	$0.45
17	$1.86	$1.85	2.50%	$2.23	$2.25	2.50%	$0.40
18	$1.90	$1.90	2.50%	$2.28	$2.25	2.50%	$0.35
19	$1.95	$1.95	2.50%	$2.34	$2.25	2.50%	$0.30
20	$2.00	$2.00	2.50%	$2.40	$2.50	2.50%	$0.50

B. For Constrained EZ TAG Only Segments
(Westpark Tollway)

The toll rate would be adjusted periodically to provide an acceptable level of service. Congestion pricing is necessary to maintain the goal of average traffic speeds between 50 and 60 miles per hour. As required, a nationally recognized traffic and revenue consultant will be contracted to study traffic patterns, in order to establish toll rate targets to obtain desired traffic flows in future years.

III. System Maintenance and Improvements

With over 500 toll road lane miles under HCTRA management, efforts continue to maintain, improve, and expand the system in order to meet the increasing mobility needs of this region. Monthly transactions have increased 20% since November 2003, when the last toll increase was implemented. The increased traffic and an aging system require additional effort to maintain the roadway structures. In the past two years, HCTRA has begun a series of concrete overlays for sections of the Hardy and Sam Houston Tollways, and attention will be given to structural issues with joint replacements, pump station rehabilitations, and concrete surface repairs. The cost to make these repairs continues to escalate every year due to the continuing increase of material costs. Additionally, ongoing improvements such as widening lanes ($2 million/lane mile), converting ramps ($600,000 per location), mainlane plaza modifications, upgrades to the electronic tolling system, and an increased reliance on electronic signage are necessary to maintain an appropriate level of service. These efforts must be continued in order to provide the service expected by the public.

IV. Proposed System Expansion

HCTRA plans to continue serving the growing mobility needs of this region and looks forward to implementing the long-range plan established by Court, and in accordance with the 2007 legislative action of SB 792, with the following proposed projects:

Project	Total Cost
1) Hardy Downtown Connector	$300 million
2) BW 8 Northeast	$550 million
3) Hempstead Highway (with 290/610 Interchange)	$ 1.8 billion
4) Fairmont Parkway	$300 million
5) SH 288 Managed Lanes	$ 1.4 billion
6) Fort Bend Parkway Phase II (if/when)	$150 million

These costs do not include any necessary connectivity improvements to promote orderly growth and allow for the system to function effectively; these are significant challenges with significant costs for the future. These challenges are being addressed in the business plan report under development by J.P. Morgan-Chase, and the recommendations in this letter will be incorporated into that plan if Court approves them.

V. The Presentation

The system consultants (Wilbur Smith & Associates) and financial advisors (J.P. Morgan Chase and First Southwest) will be available to present testimony along these lines when this matter is considered in Court.

GRAND PARKWAY TERMS AND CONDITIONS

HGAC APPROVAL

Houston-Galveston Area Council

August 27, 2008

Mr. Delvin Dennis, P.E.
Acting District Engineer
TxDOT – Houston District
P.O. Box 1386
Houston, TX 77251-1386

RE: Houston-Galveston Transportation Policy Council Adoption of SH 99 Terms and Conditions

Dear Mr. Dennis:

At its August 22nd meeting, The Houston-Galveston Transportation Policy Council (TPC) approved Resolution No. 2008-08, SH 99 (Grand Parkway) Business Terms and Conditions for the Houston-Galveston Transportation Management Area. The resolution and attached Terms and Conditions are enclosed for your consideration.

The Houston-Galveston Metropolitan Planning Organization (MPO) hosted a series of negotiations meetings for the representatives of TxDOT and the affected seven counties, which were represented by the Harris County Toll Road Authority (HCTRA). The meetings resulted in agreement on three terms and conditions concerning the scope of the project, initial toll rate, and toll escalation methodology. The terms and conditions are viewed by TPC as meeting the requirements set forth in Senate Bill 792.

It is my understanding that TxDOT and our regions local toll authorities will also need to formalize their acceptance of these terms and conditions. Unless TxDOT or the local county toll authorities request material changes to these terms and conditions, this now concludes the MPO's role in the development of the SH 99 Market Valuation study. H-GAC will host at least one additional meeting where TXDOT and Harris County will determine whether or not to waive the Market Valuation study.

Please feel free to contact me if you have any questions concerning this action of the Transportation Policy Council.

Sincerely,

Alan C. Clark
MPO Director

JP/cw
Enclosures

CC: Hon. James Patterson, Chairman, Transportation Policy Council
Hon. Ed Emmett, Harris County Judge
Mr. Art Storey, P.E., Harris County

Mailing Address
PO Box 22777
Houston, Texas 77227-2777
Phone 713-627-3200

Recycled

Physical Address
3555 Timmons Lane, Suite 120
Houston, Texas 77027-6466
Phone 713-627-3200

TPC Agenda Item 9
Mail out–08/15/08

Resolution

NO. 2008-08

APPROVING THE SH 99 (GRAND PARKWAY) BUSINESS TERMS AND CONDITIONS FOR THE HOUSTON-GALVESTON TRANSPORTATION MANAGEMENT AREA.

WHEREAS, SB 792 defines a process for determining the market valuation of potential toll road projects (revenues net of costs and expenses), including the proposed SH 99 project (the "Grand Parkway project");

WHEREAS, the Transportation Policy Council of the Houston-Galveston Area Council ("HGAC") is the Metropolitan Planning Organization ("MPO") for the seven counties in which the Grand Parkway project is located, and SB 792 specifically requires MPO approval of the "terms and conditions for procurement and operation" of such project;

WHEREAS, HGAC has hosted a series of meetings between the Texas Department of Transportation ("TxDOT") and Harris County, at which Harris County acted as the authorized representative for all seven counties in which the Grand Parkway project is located;

WHEREAS, the meetings resulted in agreement to the following Terms and Conditions for the Grand Parkway project:

- **Scope of work:** The Grand Parkway project will be a controlled access toll road from two to six lanes with overpasses at major intersections and direct connectors at interchanges with other major thoroughfares, all as more fully described in Exhibit A attached hereto.

- **Initial toll rate:** The initial toll rate for the Grand Parkway project will be a schedule of rates that will not exceed the average per mile toll rates for electronic toll transactions in force and effect for the Harris County toll road system, exclusive of any congestion priced toll corridor or managed lane project (the "HCTRA System Rates"), as of the date of opening of any segment of the Grand Parkway project. Such initial toll rate shall be no lower than the toll rates in effect as of September 1, 2008.

- **Toll rate escalation methodology:** The toll rate escalation methodology for the Grand Parkway project will be the escalation methodology set forth in Harris

County's tolling policy in force and effect as of any period of determination. Such methodology shall provide for an annual adjustment no less than the annual adjustment provided in Section II (A) of the current Harris County tolling policy. (A copy of the current Harris County tolling policy, which includes the current toll rate schedule and toll rate escalation methodology, is attached hereto as Exhibit B.)

WHEREAS, to the extent that the project scope shown in Exhibit A lacks specific description of the number of through lanes, preferred alignment or staged project implementation or should TxDOT and the County Toll Authorities agree to materially modify the proposed scope of work, approval of such changes to the project scope shall be required by the Transportation Policy Council; and

WHEREAS, should TxDOT and the County Toll Authorities agree to materially modify the proposed initial toll rate or method of toll rate escalation as shown in Exhibit B, approval of such changes to the initial toll rate or method of toll rate escalation shall be required by the Transportation Policy Council;

NOW, THEREFORE, BE IT RESOLVED BY THE TRANSPORTATION POLICY COUNCIL FOR THE HOUSTON-GALVESTON TRANSPORTATION MANAGEMENT AREA THAT THE SH 99 (GRAND PARKWAY) PROJECT BUSINESS TERMS AND CONDITIONS THAT WILL BE USED IN ANY MARKET VALUATION ARE HEREBY ADOPTED.

UNANIMOUSLY PASSED AND APPROVED THIS 22 day of August 2008, at a regularly called meeting of the Transportation Policy Council for the Houston-Galveston Transportation Management Area.

APPROVED:

James Patterson, Chairman
Transportation Policy Council

ATTEST:

Tom Reid, Secretary
Transportation Policy Council

SH 99 Grand Parkway
Toll Project Market Valuation
Terms and Conditions

1.	Project Scope	The Grand Parkway project will be a controlled access toll road from two to six lanes with overpasses at major intersections and direct connectors at interchanges with other major thoroughfares, all as more fully described in Exhibit A attached hereto.
2.	Initial Toll Rate	**Initial Toll Rates – Per Mile** The initial toll rate for the Grand Parkway project will be a schedule of rates that will not exceed the average per mile toll rates for electronic toll transactions in force and effect for the Harris County toll road system as of the date of opening of any segment of the Grand Parkway project, exclusive of any congestion priced toll corridor or managed lane project (the "HCTRA System Rates"), as of the date of opening of any segment of the Grand Parkway project. Such initial toll rate shall be no lower than the toll rates in effect as of September 1, 2008.
3.	Toll Rate Escalation Methodology	**Toll Rate Escalation Methodology** The toll rate escalation methodology for the Grand Parkway project will be the escalation methodology set forth in Harris County's tolling policy in force and effect as of any period of determination. Such methodology shall provide for an annual adjustment no less than the annual adjustment provided in Section 11 (A) of the current Harris County tolling policy. (A copy of the current Harris County tolling policy, which includes the current toll rate schedule and toll rate escalation methodology is attached hereto as Exhibit B.).

SCHEDULE B

MINIMUM PROJECT SCOPE

Exhibit "B"
SH 99 Minimum Project Scope

Phases	Segments	Segment Length (Miles)
Phase 1 4-Lane Tollway	Segment D	17.4
	Segment E	15.7
	Segment F1	12.4
	Segment F2	12.6
	Segment G	13.8
	Segment I2	6.0
	Sub-Total	**77.9**
Phase 1 DC's	Segment C1 (1)	N/A
	Segment E (4)	N/A
	Segment F2 (1)	N/A
	Segment G (1)	N/A
	Sub-Total	**N/A**
Phase 2A 2-Lane Tollway	Segment A	6.5
	Segment B1	9.5
	Segment B2	19.1
	Segment C1	9.0
	Segment C2	17.9
	Segment H	22.7
	Segment I1	14.8
	Sub-Total	**99.5**
	Total	**177.4**

Phase 1: 4-Lane Tollway and 7 DC's - Phase 1 consists of building 4 tollway lanes for segments D, E, F1, F2, G and I2. It will also build 7 DC's during this phase, 4 DC's for Segment E, and 1 DC for Segments C1, F2 and G.

Phase 2A: 2-Lane Tollway - Phase 2A consists of building a 2-lane tollway for Segments A, B1, B2, C1, C2, H and I1.

Note: There is feasibility study on-going for determining the proposed route for Segment A.