

Proposed Cibolo Parkway

Presented @ City Council Meeting

February 28, 2017

Cibolo Parkway and Cibolo Expressway – Improvements

The Project that is the subject of this Agreement is comprised of three interrelated components:

- 1. The “Cibolo Parkway” which is the design, build, finance, operation, and maintenance of a new toll road facility extending approximately 7 miles from the intersection of Weil Road and FM 1103 southeast to IH 10;***
- 2. The “FM 1103 Improvements” which consists of the improvements to FM 1103 from IH 35 to Rodeo Way (a corridor of approximately 4 miles) to be constructed by TxDOT; and***
- 3. The “Cibolo Expressway” which consists of adding two express lanes in the median of the FM 1103 Improvements.***

A little over three years ago:

City Council:

- ***Raised concerns about the growing mobility and traffic concerns along FM 1103.***
- ***Raised concerns about the City being divided by Union Pacific Railroad and the impact it could have on first responders travelling to emergency calls.***
- ***Discussed the need to move towards obtaining a 2006 Master Plan goal of extending FM 1103 to IH 10.***
- ***Directed staff to study, review, and return with a recommendation.***

City Staff:

- ***Performed an FM 1103 study and discussed options and estimated costs to address FM 1103 short-term and long-term concerns. (Presented July 8, 2014)***
- ***Met with private sector as an alternate source and option. (Cintra, Raba Kistner, Texas Turnpike Corporation)***
- ***Engaged in discussions to create a public/private partnership with Texas Turnpike Corporation.***

Texas Turnpike Corporation:

- ***Agreed to pursue a partnership with the City.***
- ***Agreed to invest initial capital, time, and energy to consider the feasibility of the proposed project.***
- ***Provided presentations to City Council at two separate workshop retreats. (February 6, 2015 and February 5, 2016)***
- ***Attended and participated in Blue Ribbon Committee meetings to answer their questions.***

City Council appointed a Blue Ribbon Committee comprised of 15 members on March 8, 2016 via Resolution No. 1531. The Committee met on four occasions. (April 7th & 20th and May 5th & May 19th) On June 3, 2016, the Committee forwarded a written recommendation to City Council to pursue toll road concept for the extension of FM 1103 to IH 10 and offered several suggestions.

City Council hosted three separate public hearings on:

- ***July 26, 2016***
- ***August 23, 2016***
- ***September 27, 2016***

Councilman Jay Hogue was invited to participate in a neighborhood meeting at Cibolo Valley Baptist Church along FM 1103 to meet with interested residents to discuss the proposed Cibolo Parkway project. (October 28, 2016)

On December 13, 2016, City Council adopted Resolution No. 1544 authorizing the City Manager to submit a formal request to TxDOT to enter into a MOU with the Texas Turnpike Corporation related to the proposed Cibolo Parkway project.

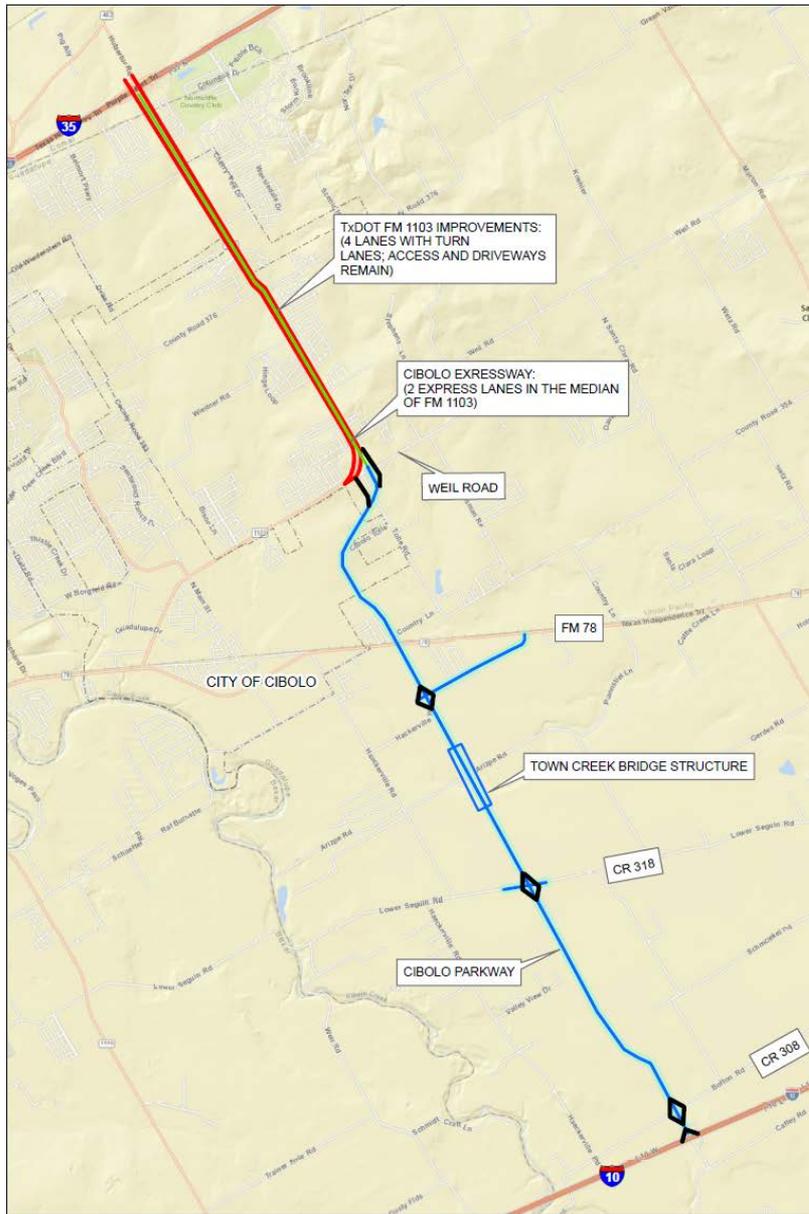
TxDOT:

- ***Received a letter from Cibolo dated December 28, 2016 acknowledging the project and City's partnership with John Crew. City requested a formal MOU be developed.***

Alamo Area MPO:

- ***Received a letter from Cibolo dated January 24, 2017 requesting the Cibolo Parkway Project be placed on their Metropolitan Transportation Plan (MTP) and Transportation Improvement Program (TIP).***

Exhibit 1



- Legend**
- Cibolo Parkway
 - Cibolo Expressway
 - Entrance and Exit Ramps
 - FM 1103 TxDOT Project
 - Cibolo City Limits
 - Entrance and Exit Ramps



Key Benefits Associated with the Extension of FM 1103 (Cibolo Parkway) to IH 10

City of Cibolo obtains a major Master Plan goal which was first identified in 2006 and which has continued to be sought by the City.

1. The City improves mobility and safety by:
 - a. Having the project include the building of an overpass over SH 78 and Union Pacific Railroad tracks.
 - b. Project will also construct a bridge over Town Creek Drainage watershed.
 - c. The overpass and bridge will provide safe, alternative passage for:
 - Cibolo residents who live south of SH 78;
 - Emergency vehicles; and
 - School buses.
3. The City receives a new road and additional improvements above what TxDOT is planning for the existing improvements to FM 1103. These combined project costs are approaching \$157 million dollars.
 - a. City does not fund the Cibolo Parkway road. If the City were to issue \$125M, the City would have to secure voter approval to raise city property taxes by an additional .50¢. This impact would more than double the City's current property tax rate.
 - b. City does not fund Cibolo Expressway improvements. Cibolo Turnpike Company will provide TxDOT the additional funding to construct the Cibolo Expressway improvement into their FM 1103 road project.
4. Stimulate economic development opportunities south of SH 78:
 - a. Residential
 - b. Commercial
 - c. Light industrial
 - d. Makes available approximately 7 miles of undeveloped property.
5. Citizens and visitors choose to use the toll road. They only pay the "toll" if they use Cibolo Parkway. Other roads remain "free." A resident does not have to change their travel patterns.

Risks

1. If the financial pro forma model does not verify the financial viability of the project:
 - a) Project ends
2. City Council not in control of toll rates.
 - a) 90-day notice and presentation to City Council.
3. Cibolo Turnpike Company files for bankruptcy or defaults.
 - a) Toll road remains open
 - b) Bankruptcy trustee appoints management company to care for the facility. Road stays open.

Cibolo Parkway operational and maintenance costs shall have a first priority position in the event of default or bankruptcy.
 - c) Cibolo will weigh and evaluate its options.

Included as part of the Development Agreement and Operating Agreement are the following provisions regarding tolled and non-tolled routes:

- A. Trips beginning or ending on the Cibolo Expressway will not have to pay any toll relating to the Cibolo Expressway only.
- B. All trips beginning or ending on the Cibolo Parkway shall pay that portion of the tolls applicable to and for such trip.
- C. All “through” trips, meaning any trip that does not originate or terminate in the City, shall pay tolls on both the Cibolo Expressway and the Cibolo Parkway.

Key Action Steps Associated with Cibolo Parkway Toll Road

Benefits

1. City obtains its Master Plan goal of a north-south thoroughfare connecting I-35 to I-10.
2. The City receives a new \$125M road.
3. City does not have to issue long-term debt.
 - a) \$125M = additional 50¢ increase in property taxes.
4. The City improves mobility and safety by :
 - a) Building an overpass over SH 78 and Union Pacific RR tracks.
 - b) Project will build Cibolo Parkway Bridge over Town Creek Drainage watershed.
5. Stimulate economic development opportunities south of SH 78:
 - a) Residential
 - b) Commercial
 - c) Light industrial
 - d) Makes available approximately 7 miles of undeveloped property.
6. You only pay the "toll" if you get on Cibolo Parkway.
7. Other "free" road alternatives continue to exist.

City of Cibolo

- Enter into a Development Agreement and Operating Agreement with Cibolo Turnpike Company. Term 50 year with extension.
- Pursue Interlocal Agreement with City of Schertz.
- Adopted a formal resolution (Resolution No. 1544) and requested Alamo Area MPO to place project on funded list. ✓
- Sent a letter to Mario Jorge to request a Memorandum of Understanding between TxDOT and the Cibolo Turnpike Company. ✓
- Formal letter sent to Alamo Area MPO requesting FM 1103 (Cibolo Parkway) to be placed on their Metropolitan Transportation Plan (MTP) and Transportation Improvement Program (TIP). ✓
- Pursue "Turnback" provision from TxDOT.

Risks

1. If the financial pro forma model does not verify the financial viability of the project:
 - a) Project ends
2. City Council not in control of toll rates.
 - a) 90-day notice and presentation to City Council.
3. Cibolo Turnpike Company files for bankruptcy or defaults.
 - a) Toll road remains open
 - b) Bankruptcy trustee appoints management company to care for the facility. Road stays open. Cibolo Parkway operational and maintenance costs shall have a first priority position in the event of default or bankruptcy.
 - c) Cibolo will weigh and evaluate its options.

Cibolo Turnpike Company

- Execute a Development Agreement and Operating Agreement with the City.
- Complete Feasibility Study.
- Secure private funding to construct Cibolo Parkway Project – Approximately \$125 million.
- Work closely with TxDOT to meet or exceed their road construction standards.
- Maintain open communication with the City of Cibolo.
- Provide regular and/or annual reports to the Mayor and City Council.
- Assume all liability and risk associated with the Cibolo Parkway Project.
- Provide a performance bond, a payment bond, and a completion bond.

TxDOT

- Enter into Memorandum of Understanding with Cibolo Turnpike Company.
- Release portion of FM 1103 to City of Cibolo via a "Turnback" provision.
- Support and place request on future TxDOT Commission agenda.

Alamo Area MPO

- Approve Cibolo Parkway Project as part of their MPO approved project list.
- Place the Cibolo Parkway Project on their Metropolitan Transportation Plan (MTP) and Transportation Improvement Program (TIP).
- Consider Cibolo's request during their April 2017 Board meeting.

City of Schertz

- Consider Interlocal Agreement to allow City of Cibolo to request a "Turnback" and allow Cibolo to assume management of FM 1103 within their city.