

These are the minutes of the special meeting of the Texas Transportation Commission, which was held on January 5, 2011, in Austin, Texas. The meeting opened at 2:33 p.m. with the following members present:

Commission Members:

Deirdre Delisi	Chair
Ned Holmes	Commissioner
Ted Houghton	Commissioner
Ned Holmes	Commissioner
William Meadows	Commissioner

Administrative Staff:

Amadeo Saenz, Jr., Executive Director
 Steve Simmons, Deputy Executive Director
 Bob Jackson, General Counsel
 Roger Polson, Executive Assistant to the Deputy Executive Director
 JoLynne Williams, Chief Minute Order Clerk

A public notice of this special meeting containing all items on the agenda was filed in the office of the Secretary of State at 4:19 p.m. on December 28, 2010, as required by Chapter 551, of the Government Code, referred to as “The Open Meetings Act.”

The meeting was called to order by Chair Delisi.

DISCUSSION ITEMS

ITEM 1. Approve the remarketing of Central Texas Turnpike System First Tier Revenue Refunding Put Bonds, selection of a remarketing agent(s) and documents relating to the remarketing (MO)

Commissioner Houghton made a motion which was seconded and the commission approved the following minute order by a vote of 5 – 0. This item was recommended by staff and presented by Finance Division Deputy Director John Muñoz.

112545
FIN

The commission has previously issued \$2,199,993,781.80 in obligations including the First Tier Revenue Refunding Put Bonds, Series 2009 currently outstanding in the aggregate principal amount of \$149,275,000 (Series 2009 Bonds) and the Central Texas Turnpike System First Tier Revenue Note, Series 2002 in the maximum principal amount not to exceed \$10 million (2002 First Tier Note) to finance or refinance a portion of the costs of the Central Texas Turnpike System (System), a turnpike project composed initially of the SH 130, SH 45, and Loop 1 project elements, pursuant to an Indenture of Trust dated as of July 15, 2002 (Indenture) and five supplemental indentures including

the Third Supplemental Indenture dated as of August 1, 2002 (Third Supplement) approved by the commission in connection with the 2002 First Tier Note and the Fifth Supplemental Indenture of Trust dated as of February 1, 2009 (Fifth Supplement) approved by the commission in connection with the Series 2009 Bonds. Any terms not otherwise defined herein have the meaning given in the Indenture and the Fifth Supplement.

The Series 2009 Bonds are subject to mandatory tender on February 15, 2011 and, if such bonds are not remarketed, the Series 2009 Bonds will bear interest at an increased rate of 15 percent per annum.

The commission has determined it is in the best interest of the System and the commission to remarket the Series 2009 Bonds in an additional multi-annual mode, pursuant to the terms of the Fifth Supplement, subject to mandatory tender, or put, by the bondholders at such time and pursuant to such terms as determined by the Chief Financial Officer which mode is expected to provide the System the most cost-effective interest rate and will conform the redemption provisions of the Series 2009 Bonds with the other outstanding System bonds to provide future financing flexibility related to outstanding System bonds.

Pursuant to the Fifth Supplement, the commission must select one or more remarketing agents, with capitalization of at least \$100 million, to remarket the Series 2009 Bonds on February 15, 2011 and Wells Fargo Securities, Southwest Securities and Piper Jaffray and Co. are hereby designated as remarketing agents under the Fifth Supplement but solely to remarket the Series 2009 Bonds on the February 15, 2011, mandatory tender date and the commission reserves the right to appoint remarketing agent(s) for any future remarketings pursuant to the Fifth Supplement.

The commission understands that the remarketing agents intend to remarket the Series 2009 Bonds through distribution of the Remarketing Memorandum with such changes as approved by the Chief Financial Officer, such approval to be conclusively evidenced by such execution.

The Securities and Exchange Commission (SEC) has adopted certain changes to Rule 15c2-12 regarding continuing disclosure for municipal securities which are applicable to the remarketing of the Series 2009 Bonds as set forth in the Continuing Disclosure Undertaking.

Pursuant to Minute Order No. 110146, the commission has previously designated the Chief Financial Officer as a TTA Representative for all purposes of the Indenture and all supplements, including any remarketings.

The commission has also received a proposal from JP Morgan Chase Bank, N.A. to provide a direct-pay letter of credit to support the Series 2009 Bonds remarketing pursuant to a Letter of Credit and Reimbursement Agreement which may be utilized by the commission if such credit enhancement is determined by the Chief Financial Officer as financially advantageous through a lower interest rate for the Series 2009 Bonds.

IT IS THEREFORE ORDERED by the commission that the Chief Financial Officer is authorized and directed to execute and deliver the Remarketing Agreement

(February 15, 2011 Remarketing), the Continuing Disclosure Undertaking and the Remarketing Memorandum (collectively, Program Documents), and such Program Documents are approved in substantially the form attached hereto with such changes as the Chief Financial Officer executing the same may approve, such approval to be conclusively evidenced by execution of the Program Documents.

IT IS FURTHER ORDERED by the commission that any necessary ancillary documents in connection with the remarketing of the Series 2009 Bonds and the Program Documents are hereby approved, and the Chief Financial Officer is authorized and directed to execute and deliver such documents including (i) any necessary amendment of the Fifth Supplement to adjust the terms of the mandatory tender, the Credit Facility and Liquidity Facility provisions and (ii) the Letter of Credit and Reimbursement Agreement, if determined by the Chief Financial Officer to be financially advantageous to utilize in connection with the remarketing of the Series 2009 Bonds, with such changes as the Chief Financial officer executing the same may approve such approval to be conclusively evidenced by execution of the Letter of Credit and Reimbursement Agreement.

IT IS FURTHER ORDERED by the commission that the Remarketing Memorandum is approved for distribution by the remarketing agents with such changes as the Chief Financial Officer may approve, such approval to be conclusively evidenced by execution of the Remarketing Memorandum.

IT IS FURTHER ORDERED by the commission that the Chief Financial Officer is authorized and directed to perform all such acts and execute such documents, including directing the Trustee to cancel the 2002 First Tier Note pursuant to the Third Supplement and execution of certifications to the remarketing agents and other parties, as may be necessary to carry out the intent of this order and other orders of the commission relating to the remarketing of the Series 2009 Bonds.

ITEM 2. Accept the annual continuing disclosure report for the State Highway Fund revenue bonds (MO)

Commissioner Houghton made a motion which was seconded and the commission approved the following minute order by a vote of 5 – 0. This item was recommended by staff and presented by Finance Division Deputy Director John Muñoz..

112546
FIN

Article III, Section 49-n of the Texas Constitution authorized the Legislature to authorize the Texas Transportation Commission (commission) to issue bonds and other public securities to (i) finance state highway improvement projects that are eligible for funding with revenues dedicated under Section 7-a and (ii) pay the costs of issuing the bonds. The bonds are payable from and secured by a prior lien on certain revenues deposited to the credit of the State Highway Fund held in the treasury of the State of Texas.

Pursuant to a Master Resolution and a First Supplemental Resolution, each adopted on March 30, 2006, and Second, Fourth and Fifth Supplemental Resolutions

adopted on October 26, 2006, August 23, 2007, and August 29, 2008, respectively, the commission issued six series of bonds under Transportation Code, Section 222.003 and other applicable law.

Under provisions of the First, Second, Fourth and Fifth Supplemental Resolutions, the commission has covenanted to provide annually, within 180 days after the end of each fiscal year, financial information and operating data with respect to the State Highway Fund of the general type in the attached Exhibit A.

IT IS THEREFORE ORDERED by the commission that the annual report of financial information and operating data, attached as Exhibit B, is accepted.

Note: Exhibits are on file with minute order clerk.

ITEM 3. Travis and Williamson Counties – Accept the annual continuing disclosure report for the Central Texas Turnpike System (MO)

Commissioner Houghton made a motion which was seconded and the commission approved the following minute order by a vote of 5 – 0. This item was recommended by staff and presented by Finance Division Deputy Director John Muñoz.

112547
FIN

Transportation Code, Chapter 228 and other applicable law authorizes the Texas Transportation Commission (commission) to issue turnpike revenue bonds, bond anticipation notes, and other obligations to finance turnpike projects on the state highway system, and to enter into trust agreements and indentures of trust governing matters relating to the issuance of such obligations.

The commission issued turnpike revenue bonds and other obligations to finance a portion of the costs of the Central Texas Turnpike System (System), a turnpike project composed initially of the SH 130 (Segments 1 through 4), SH 45 North, and Loop 1 project elements (2002 Project). The commission also authorized the execution of an indenture of trust and five supplemental indentures to secure revenue bonds and other obligations issued for the 2002 Project. The Indenture of Trust dated July 15, 2002 (indenture) prescribes the terms, provisions and covenants related to the issuance of turnpike revenue bonds and obligations to finance a portion of the costs of the 2002 Project.

Section 716 of the indenture requires the commission to provide annually, within 6 months after the end of each fiscal year, updated financial information and operating data with respect to the commission and the System of the general type included in specified sections of the final official statements relating to the Series 2002 and Series 2009 First Tier Obligations issued for the 2002 Project (annual report).

The remarketing memorandum dated on or about January 19, 2011, for the Texas Transportation Commission Central Texas Turnpike System First Tier Revenue Refunding Put Bonds, Series 2011 (remarketing memorandum), contains the updated quantitative financial information and operating data and other documents required to be included in the annual report, except for the annual inspection report of the general

engineering consultant. The remarketing memorandum, together with the annual inspection report of the general engineering consultant, will constitute the annual report to be provided in 2011 in substantially the form attached as Attachment 1, with such changes as are approved by the Chief Financial Officer in connection with the distribution of the remarketing memorandum.

IT IS THEREFORE ORDERED by the commission that the annual report of financial information and operating data with respect to the commission and the System, is accepted in substantially the form attached as Attachment 1.

Note: Exhibit 1 is on file with minute order clerk.

ITEM 4. Johnson and Tarrant Counties - Consider the preliminary approval of a request for financing from the North Texas Tollway Authority (NTTA) to pay for certain costs associated with the development and construction of the SH 121 toll project from the Fort Worth Central Business District at I-30 south to US 67 in Cleburne (Southwest Parkway/Chisholm Trail), including the costs of right of way acquisition (MO)

Commissioner Meadows made a motion which was seconded and the commission approved the following minute order by a vote of 5 – 0. This item was recommended by staff and presented by Finance Division Deputy Director John Muñoz.

112548
FIN

The Texas Department of Transportation (department) and the North Texas Tollway Authority (NTTA) have been proceeding with the development of the SH 121 toll project, a continuous express lane facility extending from the Fort Worth Central Business District at I-30 to US 67 in Johnson County, a total length of approximately 27.6 miles (Southwest Parkway/Chisholm Trail Project).

A portion of the Southwest Parkway/Chisholm Trail Project is located within the boundaries of the NTTA, and the southern section of the Southwest Parkway/Chisholm Trail Project is subject to the market valuation provisions set forth in Transportation Code §228.0111 (the northern section is exempt from the market valuation requirement). The NTTA is authorized to construct, operate, maintain, expand, or extend the portion of the Southwest Parkway/Chisholm Trail Project extending into Johnson County as it would be a continuation of the NTTA's turnpike project extending from an adjacent county that is part of the NTTA.

The department and the NTTA have been working together to identify an approach to provide for the funding and development of the Southwest Parkway/Chisholm Trail Project within the boundaries of the NTTA and adjacent counties. Transportation Code, §228.0111 grants the NTTA the first option to develop, finance, construct and operate the Southwest Parkway/Chisholm Trail Project. Pursuant to Transportation Code, §228.0111, the NTTA has exercised its option to develop, construct, and operate the project.

The department, the NTTA and the Regional Transportation Council (RTC) of the NCTCOG have cooperatively engaged in efforts to determine capital cost savings needed

to make the Southwest Parkway/Chisholm Trail Project financially feasible. This includes the deferral of some of the direct connect bridges in Section 3B of the project and a reduction in the number of lanes to be constructed in Sections 5 and 6 of the project. This corridor configuration, which balances needed cost reductions with corridor functionality and mobility, has been titled Scenario IC. The remaining direct connect bridges and additional lanes would be constructed when travel demand warrants.

In Minute Order 112142, dated February 24, 2010, the Texas Transportation Commission (commission) authorized the executive director to enter into an Agreement to Enter into Supplement to Toll Equity Loan Agreement (Agreement) that provides for the agreement of the department and the NTTA to enter into a supplement to the toll equity loan agreement for the SH 161 Project upon the fulfillment of the conditions precedent set forth in the Agreement. The supplement would amend the toll equity loan agreement to increase the amount of the toll equity loan commitment for the SH 161 Project to provide financial assistance for the Southwest Parkway/Chisholm Trail Project. The effect of the supplement is to provide a toll equity loan commitment for a single project comprised of SH 161 and the Scenario IC configuration of the Southwest Parkway/Chisholm Trail Project.

Minute Order 112142 also preliminarily approved financial assistance for the Southwest Parkway/Chisholm Trail Project comprised of \$91 million in Proposition 14 bond proceeds that have been identified for the Southwest Parkway/Chisholm Trail Project.

Transportation Code, §366.301 authorizes the department to provide for or contribute to the payment of costs of financial or engineering and traffic feasibility studies and the design, financing, acquisition, construction, operation, or maintenance of a turnpike project or system by the NTTA on terms agreed to by the department and the NTTA. Transportation Code, §222.1 03 authorizes the department to participate, by spending money from any available source, in the acquisition, construction, maintenance, or operation of a toll facility of a public or private entity on terms and conditions established by the commission.

Pursuant to Transportation Code, §222.103, the commission adopted Title 43, Texas Administrative Code, §§27.50-27.58 (toll equity rules) to prescribe conditions for the commission's financing of a toll facility of a public or private entity.

In accordance with Section 27.53 of the toll equity rules, the NTTA has submitted a request for financial assistance in the amount of \$25 million, to be used in the development and construction of, and acquisition of right of way for, the Southwest Parkway/Chisholm Trail Project. Section 1602 of the Transportation Equity Act for the 21st Century (TEA-21) identified the Southwest Parkway/Chisholm Trail Project as a high priority project, and made available \$25 million to construct the project.

As required by Section 27.53, the NTTA has an internal ethics and compliance program that satisfies the requirements set forth in 43 TAC §1.8.

Section 27.53(d) authorizes the executive director of the department to waive submission of individual items of information or data required by Section 27.53(c) if:

(1) the information or data required by this section is not relevant to the project or the financial assistance requested; (2) the department already possesses information or data in a format that may be substituted for the required information or data; or (3) the past performance of the requestor on previous projects developed in collaboration with the department indicates that the requestor will adequately and prudently address the issues and impacts described in the requested information or data.

Information and data required by Section 27.53(b) is either contained in the request for financing or is already in the department's possession. Supplemental information and data required by Section 27.53(c) is contained in the request for financial assistance, is already in the department's possession, or is waived under Section 27.53(d).

The NTTA has committed that during construction of the portions of the Southwest Parkway/Chisholm Trail Project for which the NTTA is responsible, the NTTA will assume all liability and responsibility for existing and future environmental permits, issues, and commitments, including obtaining all environmental permits and approvals necessary for the development of that portion of the project, and for compliance with all applicable federal and state laws, regulations, and policies.

The department previously conducted environmental studies and analyses of the Southwest Parkway/Chisholm Trail Project, and has secured environmental clearance from FHWA, from I-30 to FM 1187. A Finding of No Significant Impact for the section of the project from FM 1187 to US 67 is currently being reevaluated.

The Southwest Parkway/Chisholm Trail Project is consistent with the Statewide Transportation Plan, the Statewide Transportation Improvement Program, and the approved plan of the North Central Texas Council of Governments (NCTCOG), the metropolitan planning organization of the Dallas-Fort Worth region, and is consistent with the transportation improvement program of the NCTCOG and with the State Implementation Plan.

The timely extension of SH 121 south and west from I-30 in Fort Worth to US 67 in Cleburne is a crucial element in the development of the cities of Fort Worth and Cleburne, Johnson and Tarrant counties, and the surrounding region. Development of the Southwest Parkway/Chisholm Trail Project will benefit the region by reducing congestion and improving air quality in those areas.

The financial assistance for the Southwest Parkway/Chisholm Trail Project is critical to the NTTA's overall plan of finance. The successful funding of the Southwest Parkway/Chisholm Trail Project will benefit the state and the traveling public and improve the efficiency of the state's transportation system by providing for the timely completion of the Southwest Parkway/Chisholm Trail Project, which will enhance mobility and operational efficiency, decrease congestion, increase safety, increase economic development opportunities, decrease travel time, decrease air pollution, and enhance quality of life in the SH 121 Corridor. Without the department's assistance, the timeline to complete the Southwest Parkway/Chisholm Trail Project and realize those benefits could be delayed.

The request for financial assistance submitted by the NTTA indicates that a majority of the costs of developing the Southwest Parkway/Chisholm Trail Project will be funded through revenue bond sales, loans, and NTTA equity contributions. With the requested financial assistance, the project has the potential to expand the availability of funding for transportation projects or reduce direct state costs.

NOW, THEREFORE, IT IS DETERMINED that the request for financial assistance submitted by the North Texas Tollway Authority meets the applicable requirements of 43 TAC §27.53 and §27.54(a) and, in accordance with those provisions, the commission grants preliminary approval of the request for financial assistance in the amount of \$25 million, to be funded with federal funds as identified in Section 1602 of TEA-21 and to be used for the purposes described herein, and directs the executive director to implement the actions authorized and required by those and other applicable toll equity rule provisions.

ITEM 5. Report on the status of development of the Grand Parkway in the Houston and Beaumont districts

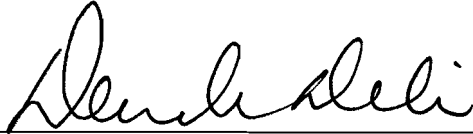
This item was presented by Assistant Executive Director for Engineering Operations John Barton.

ITEM 6. Receive the final report by the Restructure Council related to the review of recommendations contained in several documents, including the Grant Thornton management and organizational review

This item was presented by Restructure Council member Howard Wolf.

The special meeting of the Texas Transportation Commission adjourned at 3:06 p.m.

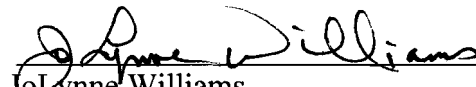
APPROVED:



Deirdre Delisi, Chair
Texas Transportation Commission

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I hereby certify that the above and foregoing pages constitute the full, true and correct record of all proceedings and official records of the Texas Transportation Commission at its special meeting on January 5, 2011, in Austin, Texas.



JoLynne Williams,
Chief Minute Order Clerk
Texas Department of Transportation