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Texas attorney general OKs North Tarrant Express contract

BY GORDON DICKSON

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Texas Attorney General Greg Abbott says a Texas Transportation Department contract to build the North Tarrant Express now passes legal muster, ending a legal dispute that threatened to derail the project.

Last month Abbott said the 52-year agreement between the Transportation Department and NTE Mobility Partners, a team of private developers led by the domestic arm of Spain-based Cintra, violated the state constitution by committing funds for more than two years.

The project includes new toll and nontoll lanes on Northeast Loop 820, Texas 121/183 — also known as Airport Freeway — and eventually Interstate 35W north of downtown Fort Worth. Construction could begin next year.

To fix the contract, the Transportation Department added a phrase specifying that monetary obligations "are subject to appropriation by the Texas Legislature" and "in the absence of an appropriation, such monetary obligations shall be payable solely from other unencumbered" funds.

Adding that language satisfied Abbott's objections to committing state highway funds to long-term, privately held debt, while also assuring the private partners that they can build the project without worrying about being paid.

Maribel Chavez, Fort Worth district engineer for the Transportation Department, announced the conclusion of the legal review Wednesday at a meeting of the Tarrant Regional Transportation Coalition.

About \$570 million in public money is being committed to the \$2 billion North Tarrant Express.

NTE Mobility Partners has agreed to put up \$300 million in equity and \$1.1 billion in debt in return for the right to build the project and collect tolls on express lanes for 52 years.

Such an arrangement is known as a comprehensive development agreement, or CDA. The idea is to build a road largely with private funds, to make up for a chronic shortage of tax-supported dollars. Similar arrangements will be used on the planned expansion of Grapevine highways known collectively as the DFW Connector, as well as the LBJ managed-lanes project in north Dallas.

However, the Transportation Department may not be able to use CDAs in other future projects. Many state lawmakers, who are debating the Transportation Department's fate in a special session this week, support a ban on future CDAs.

Construction on the first phase of North Tarrant Express — the widening of Loop 820 from I-35W and Texas 121/183 from North East Mall to the 121/183 split in Bedford — could begin late next year.

A closer look New lanes on Northeast Loop 820 and Texas 121/183 could be under construction by next year and open to traffic by 2015.

To read more about the project, visit www.txdot.gov and search with keyword "North Tarrant Express."

Source: Texas Transportation Department

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