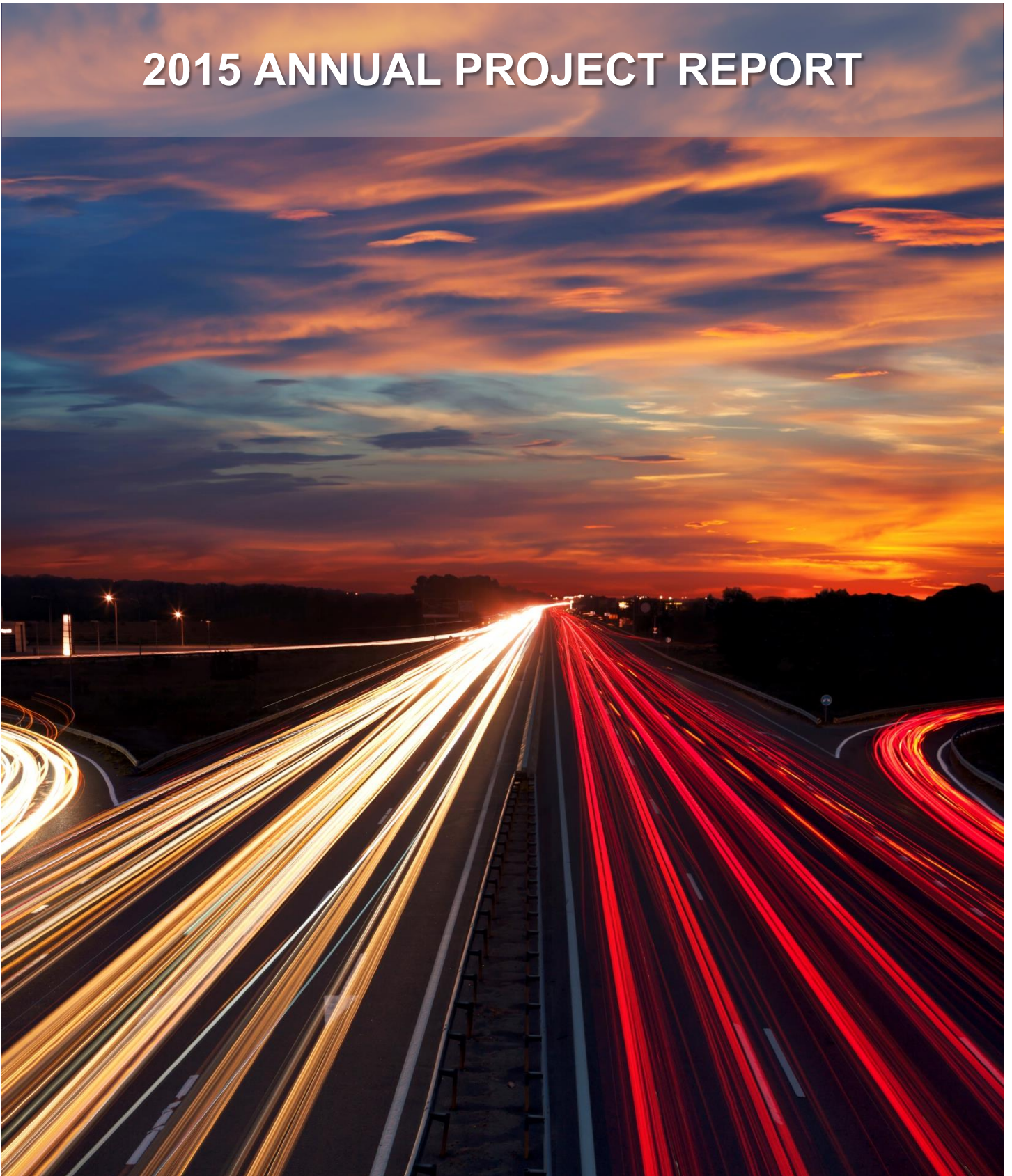


2015 ANNUAL PROJECT REPORT



1.0 Introduction

The Hidalgo County Regional Mobility Authority (HCRMA) is pleased to present to the Texas Transportation Commission with its 2015 Annual Project Report as required by the Texas Administrative Code §26.65. This collective effort is brought to you by a dedicated team who has worked with regional stakeholders such as: Elected Representatives, Texas Department of Transportation (TxDOT) Pharr District, Hidalgo County Commissioners Court, Hidalgo County Metropolitan Planning Organization, Local Municipalities, and the Public to garner the region's wishes with regard to transportation development.

Residents of Hidalgo County can already sense the congestion building up in critical areas of travel along I-2/I-69 and around the international ports of entry. With continued economic growth comes additional traffic congestion that needs to be mitigated in order for the region to maximize its economic potential. Hidalgo County is the front door to the United States due to its numerous ports of entry and the development of the Durango-Mazatlán Highway which has shifted trade patterns in its favor with regard to the import of fresh produce and industrial goods from the Mexican interior. The nationalization of oil resources in Mexico (despite recent decline in the price per barrel) will also induce a similar positive increases in exports of heavy equipment and supplies that American companies will require for the extraction of those natural resources given the large shale play in the interior and off the coast of Matamoros, Tamaulipas.

Understanding the region's potential for growth and these external opportunities allows the HCRMA to use the best available tools to forecast economic activity and traffic patterns and maximize toll utilization to help fund the new roadway infrastructure. The routes being developed by the HCRMA will provide end-users with the additional capacity they seek as well as present them with development opportunities along those corridors.

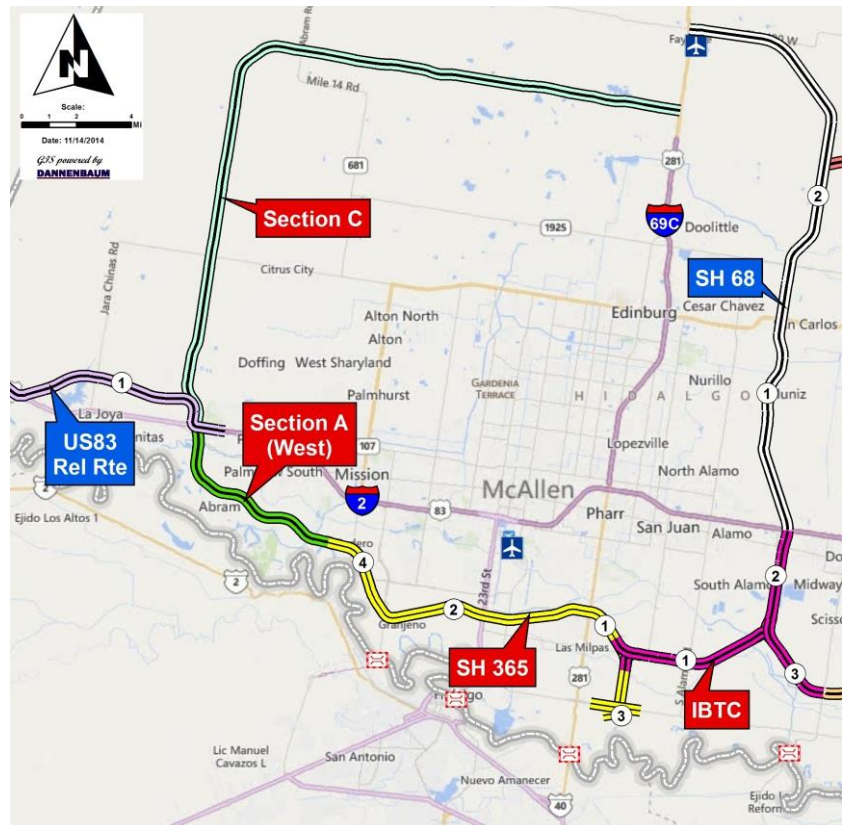


To this end, the HCRMA is working with local communities to plan and develop a southern corridor of the loop to create efficient routes so that commerce, local traffic, and safety are improved as our communities grow. For this reason the HCRMA is looking to develop the most efficient tollroad system possible that will accommodate overweight truck traffic so that permit holders can eventually use the tollroad system to deliver, unload, and distribute goods beyond the Border in the most expedient fashion without additional wear and tear to the local roads.



The HCRMA and TxDOT Pharr District continue to execute a County-specific Short-Term Strategic Plan that includes State Highway 365 (SH 365), International Bridge Trade Corridor (IBTC), US 83 Relief Route, and State Highway 68 (SH 68). TxDOT Pharr District leads development efforts on the US 83 Relief Route and State Highway 68 that will culminate in the acquisition of ROW and construction of Phase I frontage road facilities.

By the time the strategic plan is fully realized, the HCRMA and TxDOT Pharr District would have developed and constructed over 48.9 miles of roadway improvements (some tolled and others non-tolled) with a direct injection of over \$775M in project development funds and \$460M going directly into construction jobs and materials within Hidalgo County. The HCRMA looks forward to the continued cooperation between agencies and the public to provide conventional and innovative solutions to transportation needs for the citizens of Hidalgo County. What ensues is a brief summary of pertinent project activity along with an Appendix A with additional details.



2.0 Background

2.1 Regional Mobility Authorities

In 2001, the 77th Texas Legislature authorized the creation of regional mobility authorities (RMAs) through Senate Bill 342 for the purpose of constructing, operating and maintaining transportation projects in the State of Texas. In 2003, the 78th Legislature enacted House Bill 3588, which made major revisions to State laws governing the funding and development of transportation projects. A major section of that legislation created Chapter 370 of the Texas Transportation Code (Chapter 370) governing the formation and operation of RMAs. The Texas Legislature significantly expanded the powers of RMAs to develop and finance a variety of multi-modal transportation projects. RMAs are political subdivisions of the State of Texas created by one or more counties or by certain cities in the State of Texas to finance, acquire, design, construct, operate, maintain, expand, or extend toll or non-toll transportation projects. Permitted projects include roadways, passenger or freight rail, ferries, airports, pedestrian and bicycle facilities, intermodal hubs, border crossing inspection stations, air quality improvement initiatives, parking structures and related facilities, automated conveyor belts for the movement of freight, projects listed in the State Implementation Plan, the Unified Transportation Program, or applicable metropolitan planning organization long-range plan, and improvements in certain transportation reinvestment zones.

2.2 Creation of the Hidalgo County Regional Mobility Authority

On April 21, 2005, the Hidalgo County Commissioners Court authorized the County Judge to file a petition to the Texas Transportation Commission to create an RMA for the Hidalgo County (County) area. The petition was approved by the Texas Transportation Commission on November 17, 2005. The Commissioners Court formally approved the conditions set forth by the Texas Transportation Commission for the Authority and subsequently appointed the Directors of the Authority. The purpose of the Authority is to provide the area with an opportunity to significantly accelerate needed transportation projects and have a local entity in place that will make mobility decisions that will benefit the community, while enhancing the economic vitality and quality of life for the residents in the County and surrounding area.

2.3 Board of Directors

The Authority is governed by a seven member Board of Directors (the Board), with six members appointed by the County, and the presiding officer appointed by the Governor. The Board has the ultimate decision-making authority and responsibility for directing and controlling the affairs of the Authority. The Board is also responsible for the establishment of policies that direct operational management of the Authority. The Board



represents a spectrum of business and civic leaders in the County. The Board meets regularly to review, discuss, and determine policies affecting the operation and maintenance of the Authority and is comprised of the following directors:

- Randy Sweeten, Chairman
- Josue Reyes, Vice-Chairman
- Ricardo Perez, Secretary/Treasurer
- Julian Ybarra, Jr., Director
- R. David Guerra, Director
- Forrest Runnels, Director
- Alonzo Cantu, Director

2.4 Administration

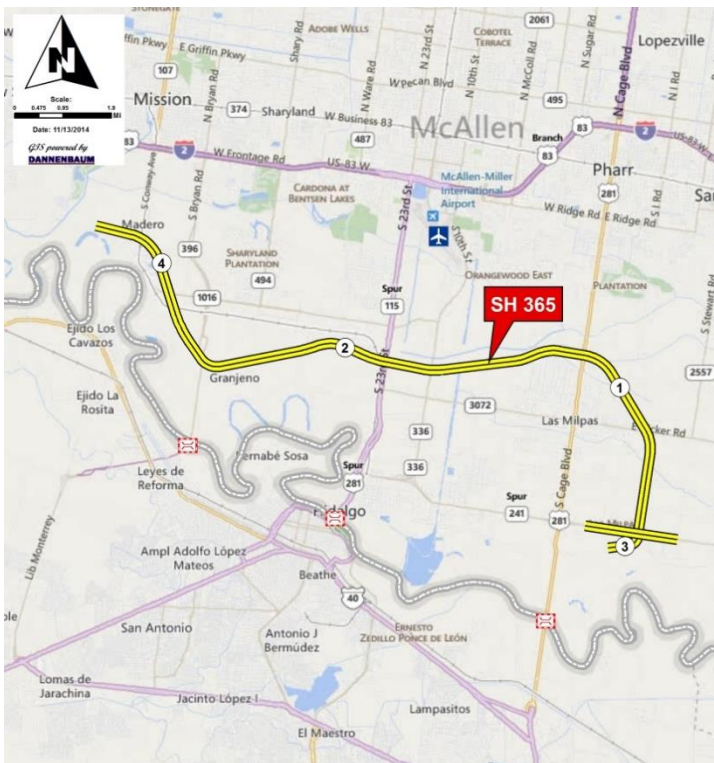
The Authority's day to day operation is overseen by the Executive Director Pilar Rodriguez, P.E. He has worked as an engineer and administrator for the City of McAllen since 1992 and has served the City in a number of capacities, including the areas of Traffic Operations, Engineering, Public Works and, most recently, as Assistant City Manager and Deputy Emergency Management Coordinator. Mr. Rodriguez is a graduate of Texas A&I University (now Texas A&M) in Kingsville, Texas, and is a licensed Professional Engineer and an advanced certified Volunteer Firefighter. Other key staff include:

- Ramon Navarro IV, PE, CFM – Construction Engineer
- Celia Gaona, CIA – Chief Auditor/Compliance Officer
- Jose Castillo – Chief Financial Officer
- Carlos "CJ" Moreno, Jr. – Acquisition Coordinator
- Flor E. Koll – Executive Assistant

2.5 Capital Improvement Plan (CIP)

The Authority assists the citizens of the County and surrounding area by providing congestion relief, traffic safety, enhanced mobility and viable alternative routes. The initial projects that were submitted with the Authority application to the Texas Transportation Commission include the approximately 130-mile loop concept outlined in capital improvement plan / strategic plan map. As of 2013 the HCRMA has bonded against its vehicle registration fee (VRF) in order to advance project development activities such as environmental clearance, schematic, utility investigations/SUE, ROW mapping, PS&E, and limited ROW acquisition for the SH 365 and IBTC. The ensuing sections cover project highlights since the issuance of the 2014 Annual Project Report.

3.0 State Highway 365 (HCRMA)



SH 365 consists of three phases of construction of toll and non-toll improvements of independent utility from FM 1016 / Conway Ave to US 281 / Military Highway for project length of 17.4 miles between two crucial port of entry within Hidalgo County (Anzalduas Bridge and Pharr-Reynosa International Bridge).

Phase 1 consists of non-toll improvements from 0.45 Mile East of Spur 600 / Cage Blvd to FM 2557 / Stewart Rd and from Spur 29 / S Veterans Drive to US 281 / Military Highway below the San Juan Rd overpass which constitute the Segment 3 US 281 and BSIF Connector, and if funded with a combination of Prop 1/CBI funding and VRF bond proceeds.

Phase 2 construction consists of tollroad improvements from FM 396 / Anzalduas Highway to US 281 / Military Highway which constitute Segments 1 & 2 of the project in a 2+2 configuration (2 lanes each way). Phase 2 funding consists of a Toll Equity Grant comprised primarily of TxDOT reimbursement payments, VRF bond

proceeds, potential SIB Loan proceeds, and future toll revenue bond proceeds. Phase 3 construction consists of additional tollroad improvements from FM 1016 / Conway Ave to FM 396 / Anzalduas Highway for Segment 4 of the project which as of this Annual Project Report is assumed to be built as toll viability increases within that segment whereby destinations come online to warrant developing tollroad. Phase 4 construction (to be taken up at a later time) would consist of the ultimate 3+3 configuration in addition to elements deferred in the value engineering such as select frontage roads areas and certain grade separations.

3.1 SH 365: Review of 2015 Activities

- Environmental clearance obtained 07/2015;
- Held project letting for Phase 1 – SH 365 Segment 3 (US 281 / BSIF Connector Project) on 09/2015;
- Construction to commence 01/2016 Phase 1 – SH 365 Segment 3 (US 281 / BSIF Connector Project);
- ROW Documents (100% complete) with all of Phase 1 parcels acquired, and offers on over 55% of SH 365 Segment 1 & 2 parcels;
- PS&E (95% complete) and undergoing concurrent TxDOT reviews at every major milestone submittal; and
- Expended \$1,479,176 in 2015 on advanced planning: environmental, engineering (PS&E), and survey.

3.2 SH 365: Schedule / Upcoming Milestones

- ROW to be acquired by 08/2016;
- Utilities to be relocated by 08/2016;
- Construction for Phase 2 – SH 365 Segments 1 & 2 estimated to commence 10/2016; and
- Toll operations for Phase 2 – SH 365 Segments 1 & 2 projected to begin 04/2019.

4.0 International Bridge Trade Corridor (HCRMA)

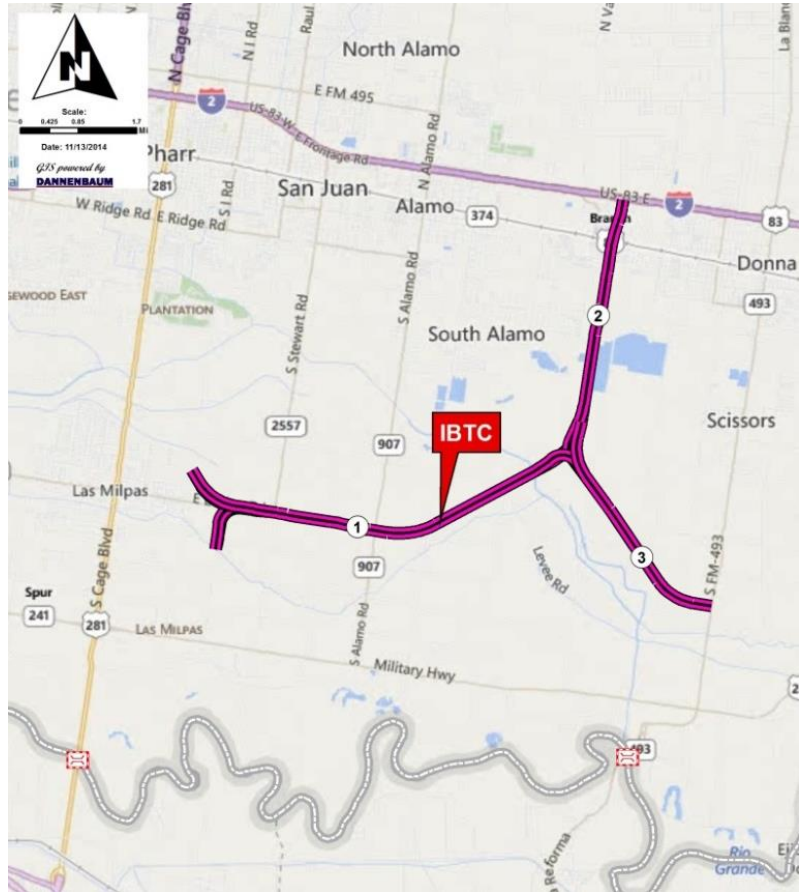
IBTC Segments 1 - 3 consists of two phases of construction of toll improvements of independent utility from the Interchange with SH 365 near FM 3072 / Dicker Road to I-2 and from the Valley View Interchange to FM 493 for project length of 13.2 miles.

Phase 1 construction will consist of Segment 1 and 2 being initially built as a 2+2 tollroad with Segment 3 being built as a 1+1 lane connector road (1 lane each way) for connection between the Valley View Interchange and FM 493. Phase 2 construction (to be undertaken by the HCRMA at a later time) will consist of tollroad main lanes and an additional frontage road from the Valley View Interchange to FM 493.

The HCRMA has the ability to conduct most of the advanced planning on the entire project; but it will require that the IBTC be made into State on-system facility before exploring potential funding considerations with project stakeholders.

4.1 IBTC: Review of 2015 Activities

- Environmental Documents (65% complete);
- ROW Documents (70% complete) with 20% of all project ROW parcels north of Donna Reservoirs acquired;
- PS&E (55% complete) and undergoing concurrent TxDOT reviews at every major milestone submittal; and
- Expended \$955,378 in 2015 on advanced planning: environmental, engineering (PS&E), and survey.



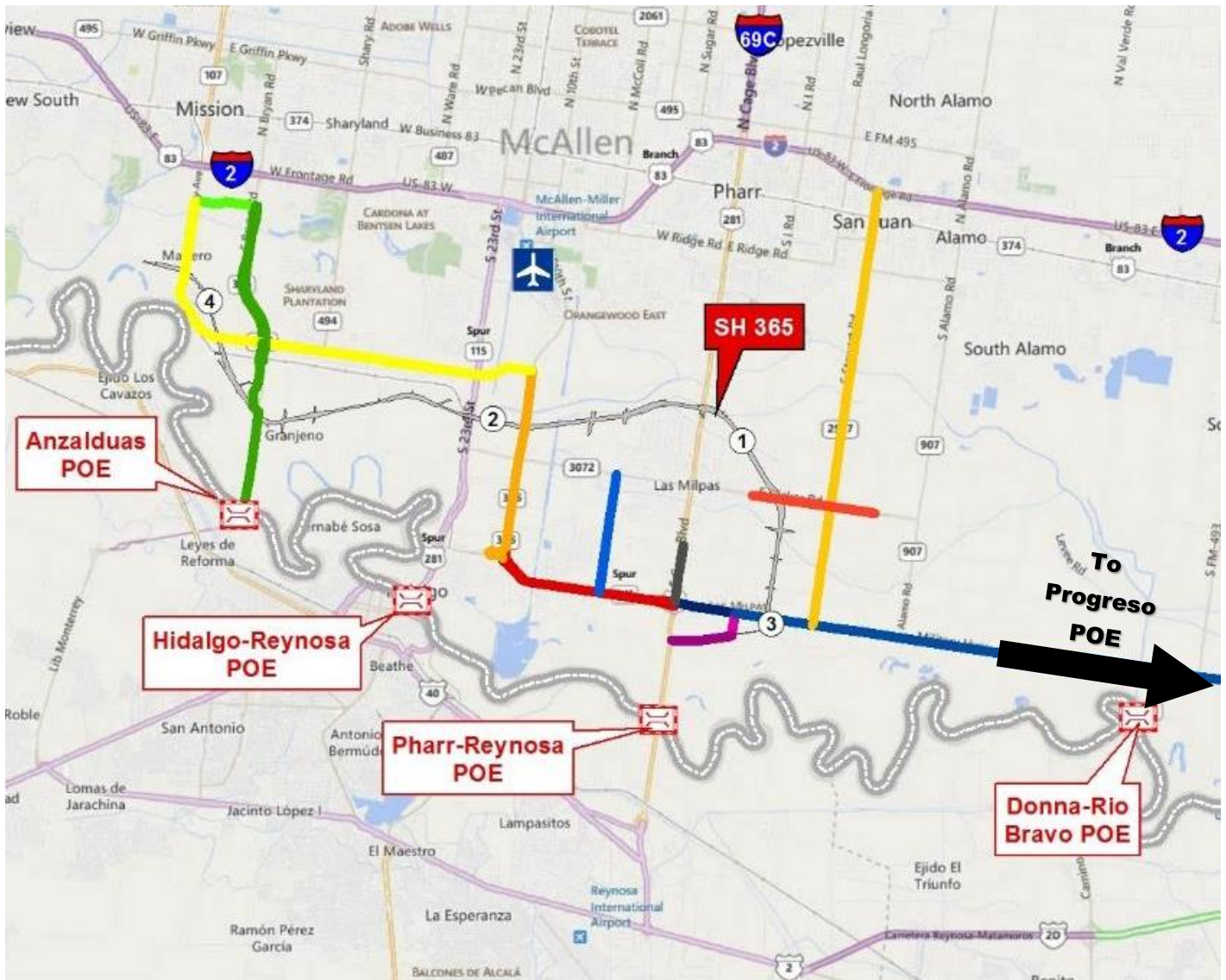
4.2 IBTC: Schedule / Upcoming Milestones

- Environmental clearance estimated by 08/2016
- Phase 1 estimated construction to commence 06/2017; and
- Toll operations for Phase 1 projected to begin 01/2020.

5.0 Overweight Corridor (HCRMA and TxDOT)

Texas H.B. No. 474 allowed for the creation of an overweight/oversize (OW/OS) corridor to be administered by the HCRMA who keeps 15% of the permit fees collected with TxDOT receiving the other 85% for the maintenance of the OW/OS system. The HCRMA allows shippers to securely order specialized overweight permits online. The permits cover travel over the Hidalgo County roads listed below for vehicles weighing no more than the Mexican Legal Weight Limit or 125,000 lbs for which proof of certified weight measurement is required before a permit may be requested and utilized.

The following existing roadways are approved local stakeholders, then the HCRMA Board, and ultimately the Texas Transportation Commission. The HCRMA administers the Hidalgo County OW/OS corridor and facilitates the Hidalgo County Specialized Overweight Permits that allow for the movement of overweight vehicles carrying cargo on the following roads:



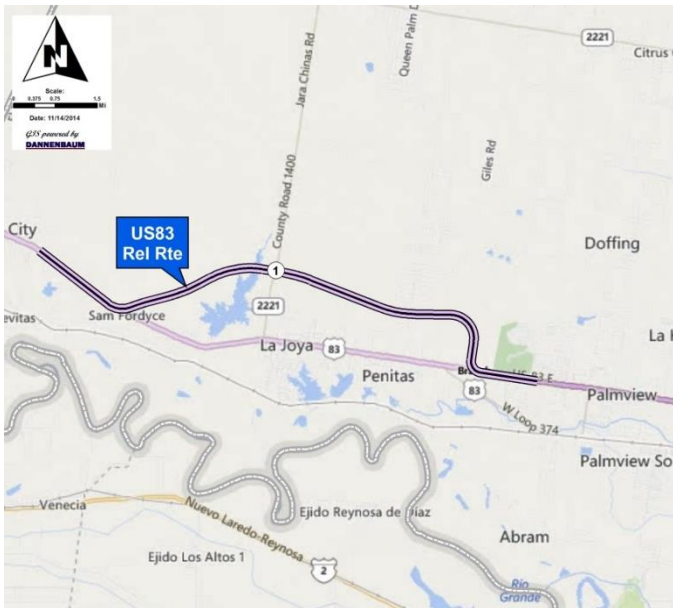
- U.S. Highway 281 between its intersection with Pharr-Reynosa International Bridge and its intersection with State Highway 336;
- State Highway 336 between its intersection with U.S. Highway 281 and its intersection with Farm-to-Market Road 1016;

- Farm-to-Market Road 1016 between its intersection with State Highway 336 and its intersection with Trinity Road;
- Trinity Road between its intersection with Farm-to-Market Road 1016 and its intersection with Farm-to-Market Road 396;
- Farm-to-Market Road 396 between its intersection with Trinity Road and its intersection with the Anzalduas International Bridge;
- Farm-to-Market Road 2061 between its intersection with Farm-to-Market Road 3072 and its intersection with U.S. Highway 281;
- U.S. Highway 281 between its intersection with the Pharr-Reynosa International Bridge and its intersection with Spur 29;
- Spur 29 between its intersection with U.S. Highway 281 and its intersection with Doffin Canal Road;
- Doffin Canal Road between its intersection with the Pharr-Reynosa International Bridge and its intersection with Spur 29;
- FM 2557 (Stewart Road) from US 281/Military Highway to Interstate 2 (US 83) and FM 3072 (Dicker Road) from Veterans Boulevard ('I' Road) to Cesar Chavez Road;
- US 281 (Cage Boulevard) from US 281/Military Highway to Anaya Road;
- Route 12: US 281/Military Highway from Spur 29 to FM 1015; and
- FM 1015 from US 281/Military Highway to Progreso International Bridge.

5.1 Review of 2015 Activities

The online permit system went operational April 2014 and as of September 2014 there is a privately owned certified scale on the approach to the Pharr International Port of Entry. After initial infrequent activity the permitting system in mid-2014, it saw greater interest through end of 2014 and in 2015 saw on average of 265+ permits per week. The total amount collected from 1/1/2015 to 11/6/2015 is \$1,001,479 with \$24,679 going to convenience fees (for credit card use) and the remainder comprising \$976,800 in permit fees of which \$36,630 went to ProMiles (online system operator), \$109,890 to HCRMA (OW/OS administrator), and \$830,280 to TxDOT (for O&M of OW/OS network). The OW/OS Corridor has amassed steady use by industry, but it has yet to develop sufficient history to notice any seasonal trends or if word-of-mouth recommendation among the logistics community or familiarity/convenience of acquiring permits continues to provide more increases year-on-year. The SH 365 and IBTC projects are currently being designed for overweight traffic (and maintenance) and are intended to be the long-term overweight corridor system with some of the existing branches staying in place for circulation to destinations.

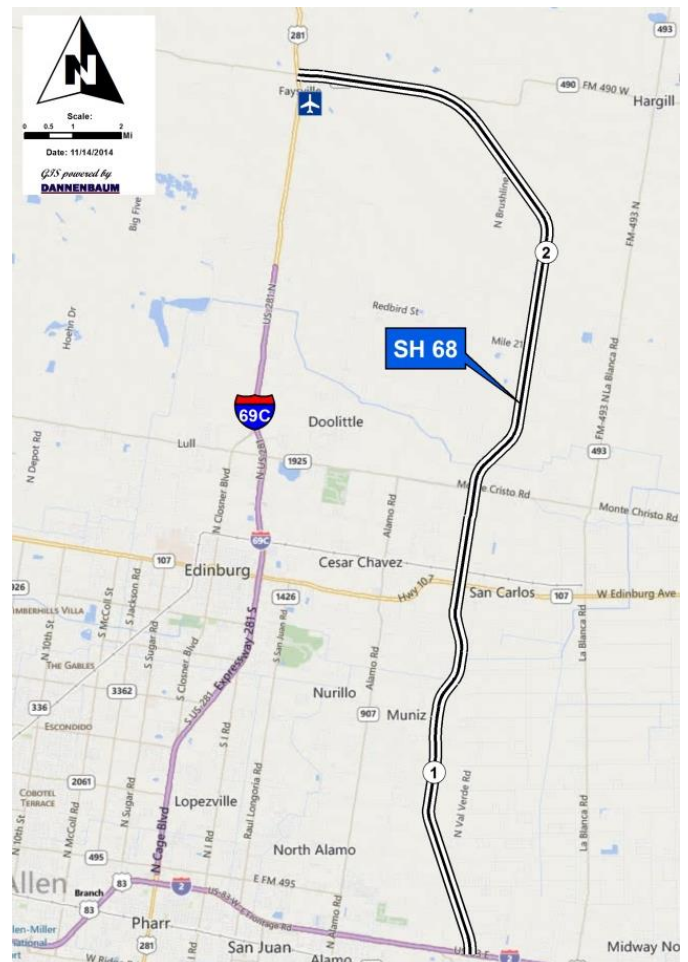
6.0 US 83 Relief Route (TxDOT PHR)



The US 83 Relief Route consists of two phases of construction within a usual 350 foot wide to a maximum 450 foot wide right-of-way (ROW). The project begins approximately 1.0 mile east of FM 886 (El Faro Road) and runs east to approximately 0.50 mile west of Showers Road. The total project length is approximately 8.9 miles and Phase 1 will consist of frontage roads while an optional Phase 2 could be undertaken by the HCRMA at a later time to construct tollroad mainlanes. Phase 1 is fully funded by TxDOT and was let 07/2015.

7.0 State Highway 68 (TxDOT PHR)

SH 68 is a proposed 22-mile new road that will connect I-2 to I-69C between Alamo and Donna and run north to I-69C/US 281 north of Edinburg. Phase 1 will construct frontage roads in each direction from I-2 to FM 1925 (Monte Cristo Rd). Phase 2 will construct frontage roads from FM 1925 (Monte Cristo Rd) to I-69C with an optional Phase 3 that could be undertaken by the HCRMA at a later time to construct tollroad mainlanes. Phase 1 is fully funded by TxDOT.



HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

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Celia Gaona, CIA, Auditor/Compliance Ofc.

Jose Castillo, CFO

Carlos "CJ" Moreno, Jr., Acquisition Coord.

Flor E. Koll, Executive Assistant

Program Management Consultant

DANNENBAUM ENGINEERING CORP

Appendix A:
Detail for the HCRMA 2015 Annual Project Report



OVERVIEW

- ▶ HCRMA Background
- ▶ SH 365 Project Progress
- ▶ IBTC Project Progress
- ▶ Overweight/Oversize Corridor Permitting Progress

MISSION STATEMENT:

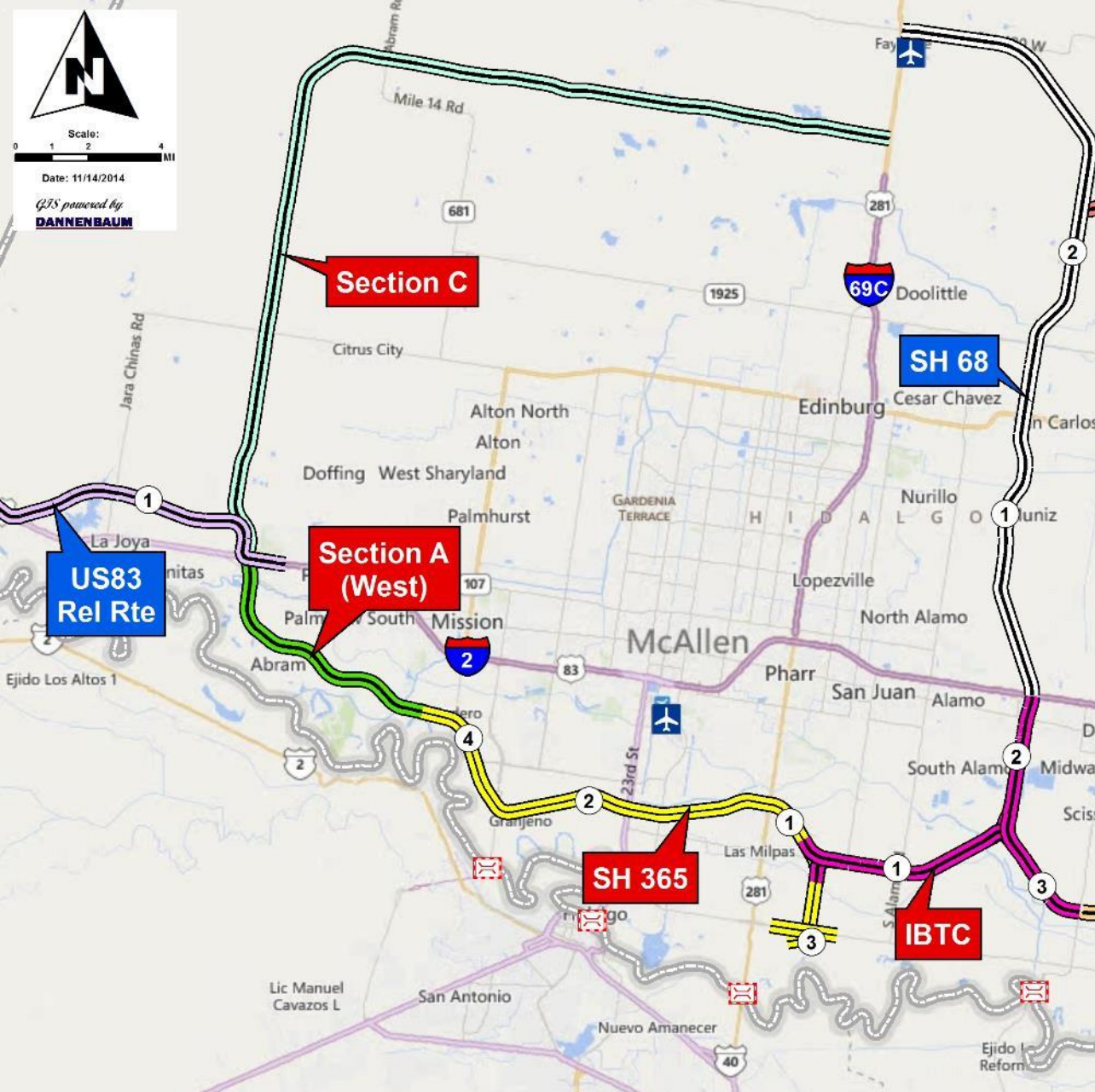
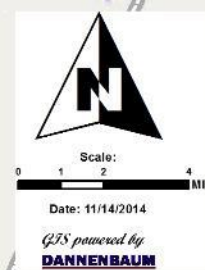
“To provide our customers with a rapid and reliable alternative for the safe and efficient movement of people, goods and services”



BOARD LEADERSHIP

- ▶ Randy Sweeten, Chairman
- ▶ Josue Reyes, Vice Chairman
- ▶ Ricardo Perez, Secretary/Treasurer
- ▶ Forrest Runnels, Director
- ▶ David Guerra, Director
- ▶ Alonzo Cantu, Director
- ▶ Julian Ybarra, Director





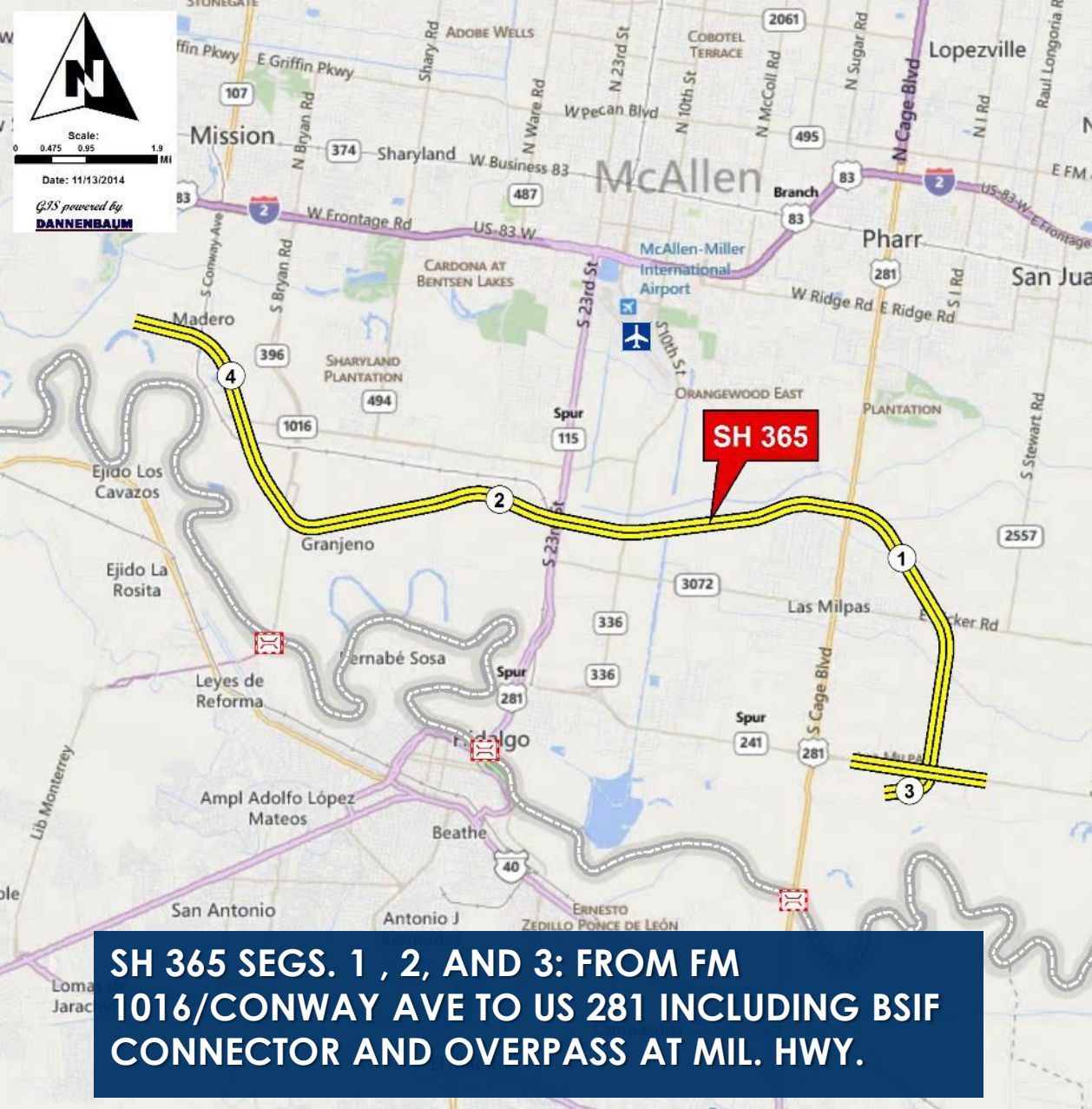
STRATEGIC PLAN

SHORT RANGE PLAN INCLUDES:

- ▶ SH 365
- ▶ IBTC
- ▶ US 83 REL. ROUTE
- ▶ SH 68

IN ORDER TO SERVE A POPULATION OF APPROXIMATELY 800,000 RESIDENTS AND 5 PORTS OF ENTRY.





SH 365 PROJECT MILESTONES

NEPA CLEARANCE:
07/03/2015

SH 365 SEG. 3 -

LETTING: 09/2015

CONSTR. START:
01/2016

SH 365 SEGS. 1 & 2 -

LETTING: 05/2016

CONSTR. START:
10/2016

OPENING DATE:
04/2019



HCRMA
HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

SH 365 PROJECT SCHEDULE

SH 365 / US 281 Improvements - Phase I (Segment 3)

(US 281 / Mil. Hwy. from SP600 / Cage Blvd. to FM 2557 / Stewart Rd and the BSIF Connector)

WORK TASK	2015												2016											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Env. Clearance (FONSI)																								
Final Design (Complete)																								
ROW Acquisition (Complete)																								
Utility Relocation																								
Bid Phase Starts																								
Construction Starts																								

CONSTRUCTION FOR SH 365 PHASE I: FROM 02/01/2016 TO 09/30/2017

SH 365 - Phase II (Segments 1 & 2)

(FM 396 / Anzalduas Hwy. to US 281 / Military Hwy)

WORK TASK	2015												2016											
	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Env. Clearance (FONSI)																								
Final Design																								
ROW Acquisition Phase																								
Utility Relocation																								
Bid Phase Starts																								
Construction Starts																								

CONSTRUCTION FOR SH 365 PHASE II: FROM 10/01/2016 TO 4/01/2019



SH 365 PROJECT PROGRESS

► Environmental

- TxDOT ENV has rendered a Finding of No Significant Impact (FONSI) on 7/3/15

► Design

- PS&E on SH 365 Segment 3 (US 281/BSIF) is 100% complete; PS&E on SH 365 Segments 1 and 2 are 95% complete.
- Geo-technical for SH 365 Segment 3 (US 281) is 100% complete; Geo-technical for SH 365 Segments 1 and 2 are 100% complete.
- Onsite Hydrologic Studies for SH 365 Segments 1, 2, and 3 are 100% complete.



▶ ROW Mapping / Acquisition

- ▶ Mapping complete (Segments 1 – 4)
- ▶ Acquisition complete on Seg. 3 (US 281 / BSIF Connector)
- ▶ Acquisition ongoing for Segs. 1 & 2:
 - ▶ ROW Maps and Parcels for Segs. 1 & 2 delivered to ROW team
 - ▶ Appraisals in development
 - ▶ Offers have begun to be made from US 281 to 10th Street (> 55% of project)

▶ Utility Relocations

- ▶ Utility relocations on Segment 3 are bring finalized
- ▶ Utility kickoff meetings conducted on Segments 1 & 2



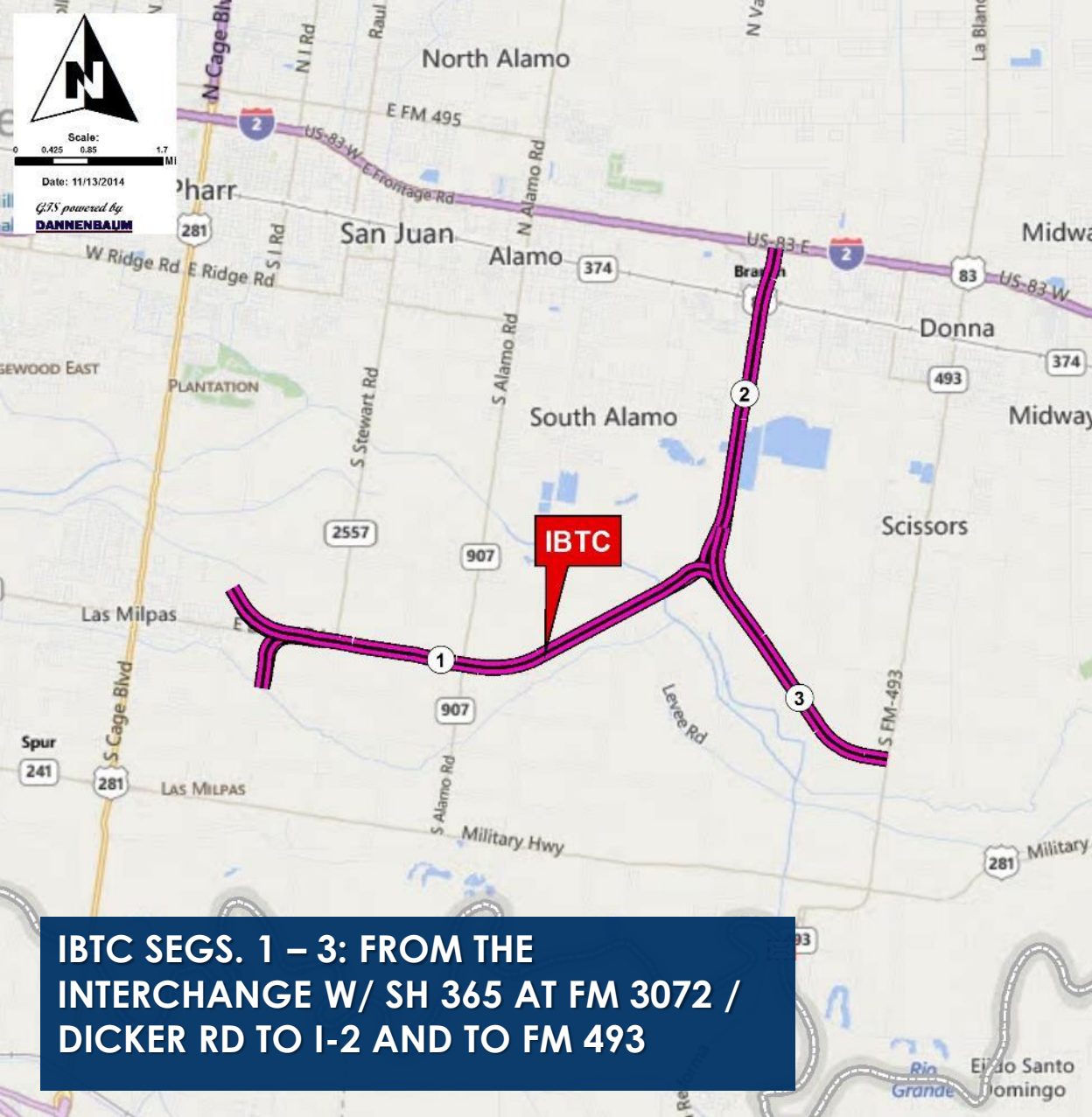
► Construction Phase

► SH 365 Seg. 3: US 281 / BSIF Connector:

- Bid opening held September 30, 2015
- Construction Starts 01/2016
- Construction time 20 months
- Pending Concurrence from TxDOT on HCRMA selection of Low Bid in order to process Award / move forward with NTP.

SH 365 PROJECT PROGRESS





IBTC PROJECT MILESTONES

NEPA CLEARANCE:
08/2016

BID DATE: 03/2017

CONSTR. START:
06/2017

OPENING DATE:
01/2020

IBTC SEGS. 1 – 3: FROM THE
INTERCHANGE W/ SH 365 AT FM 3072 /
DICKER RD TO I-2 AND TO FM 493



IBTC PROPOSED* PROJECT SCHEDULE

IBTC - Segments 1-3																												
(From Dicker Rd. Interchange to end of the Floodway North to I-2 & from Valleyview Interchange to FM 493)																												
WORK TASK	2015				2016												2017											
	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Environmental																												
Final Plans																												
ROW Acquisition																												
Utility Relocation																												
Bid Phase Starts																												
Construction Starts																												
CONSTRUCTION FROM 06/2017 TO 12/2019																												

► Proposed Schedule Contingent Upon

- HCRMA Board direction / Discussion with TxDOT
- Funding considerations
- Clearing environmental in order to get project closer to “shovel ready”

IBTC

PROJECT PROGRESS

► Environmental

- NEPA document and fieldwork on hold while HCRMA finalizes SH 365 project financing coordination.

► Design

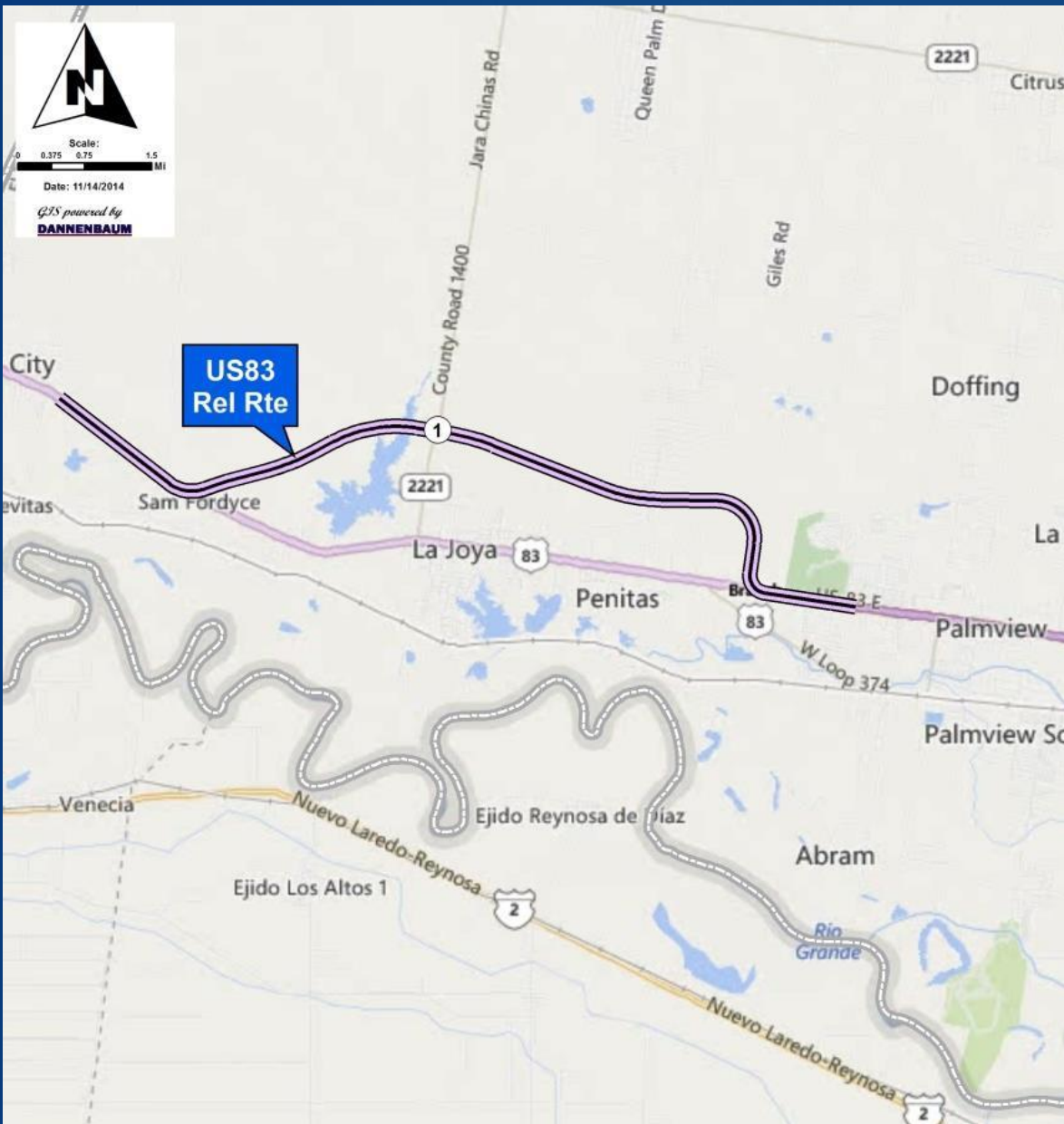
- PS&E for IBTC Segments 1 - 3 are 40% to 60% complete.
- Geo-technical borehole efforts are on pause for IBTC Segments 1-3.
- Onsite Hydrologic Studies for IBTC have been reviewed.
- Subsurface Utility Exposures are 100% complete.



IBTC PROJECT PROGRESS

- ROW Mapping
 - ▶ Strip map for complete IBTC project is complete for the entire project.
- ROW Acquisition
 - ▶ All parcels north of Donna Reservoirs have been submitted to the ROW Acquisition Team.
 - ▶ Local Easement fro AEP/ETT is nearing completion for the transmission line on the East of the IBTC Project ROW (trans/ line no longer within ROW).



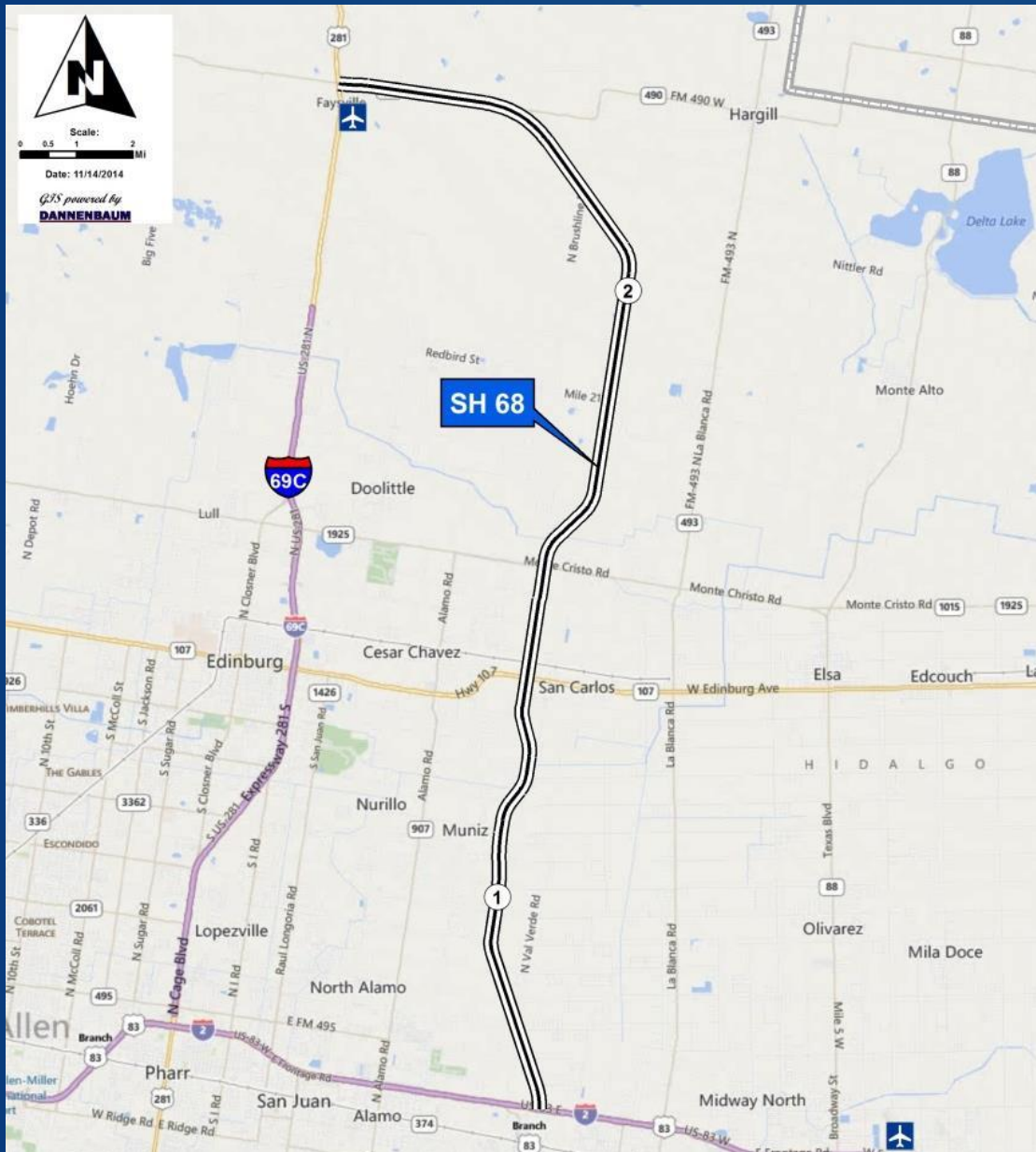


US 83 RELIEF ROUTE (BY TXDOT)

DESCRIPTION:

- ▶ PROJECT LENGTH IS APPROX. 8.9 MI
- ▶ FROM 1.0 MI EAST OF FM 886 EAST TO 0.50 MI WEST OF SHOWERS RD
- ▶ PHASE 1 CONSTRUCTION AS FRONTAGE ROADS, LET BY TXDOT 07/2015
- ▶ IF FEASIBLE, FUTURE CONSTRUCTION PHASES MAY INCLUDE OPTION TO BUILD TOLLROAD MAINLANES





SH 68 (BY TXDOT)

DESCRIPTION:

- ▶ PROJECT LENGTH IS APPROX. 22 MI (ALIGNMENT OPTIONS UNDER STUDY)
- ▶ FROM I-2 TO I-69C BETWEEN ALAMO AND DONNA AND RUNS NORTH TO I 69C/US 281 NORTH OF EDINBURG
- ▶ PHASE 1 CONSTRUCTION AS FRONTAGE ROADS UP TO FM 1925, FULLY FUNDED
- ▶ FUTURE CONSTRUCTION PHASES MAY INCLUDE FRONTAGE ROADS FROM FM 1925 TO US 281 AND/OR TOLLROAD MAINLANES (WHERE FEASIBLE)



QUESTIONS?

