

Office of the Hays County Judge



Bert Cobb, M.D.

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VIA HAND DELIVERY

June 5, 2013

Phil Wilson
Executive Director
Texas Department of Transportation
Dewitt C. Greer Building
125 E. 11th Street
Austin, Texas 78701

Re: Hays County
State Infrastructure Bank Loan Application for FM 110

Dear Mr. Wilson:

On behalf of Hays County, I am very pleased to present the attached State Infrastructure Bank (SIB) loan application for the FM 110 project from SH 123 to IH 35 at Yarrington Road. The SIB loan will be used to construct 11.25 miles of Phase One of the project: two travel lanes with grade separations at SH 80 and SH 21 and a grade-separated crossing with the Union Pacific Railroad.

We are requesting a SIB loan in the amount of \$48.0 million, the estimated cost for constructing the three (3) segments of the project. FM 110 is a high priority project in the proposed Hays County-TxDOT Partnership Program. The project will facilitate economic development in the eastern San Marcos area and provide an alternative to State Highway facilities in and around the San Marcos area, including IH 35, SH 123, SH 21, SH 80 and FM 621. Additionally, the FM 110 project will improve access and connectivity for the SH 130 project, enhancing the utilization of this facility. FM 110 has environmental clearance, and the County had retained engineering design services for all three segments, along with right-of-way acquisition and utility relocation services for the entire corridor, and work is underway. It is anticipated that all three segments of the project will be ready for construction by the fourth quarter of 2014.

In the Financial Feasibility section of our application we have included the Transportation Reinvestment Zone analyses prepared by TXP. The County and the City of San Marcos have been having ongoing discussions regarding the creation of the two TRZ's. Yesterday, along with the County's formal action to approve submitting the SIB loan application, the City conducted a

worksession on the City TRZ. The City approved moving forward with the creation of a TRZ with a 50% tax increment revenue allocation. As you will see in TXP's analyses, the two TRZ's would provide for a more than adequate revenue stream to pay back the SIB loan within a reasonable period.

We look forward to the Department's favorable review of our application. Please let me know if you have any questions regarding our application.

Sincerely,



Bert Cobb, M.D.
Hays County Judge

Attachments

cc: John A. Barton, P.E., TxDOT Deputy Executive Director/Chief Engineer
Russell Zapalac, P.E., TxDOT Chief Planning and Project Officer
Marc Williams, P.E., TxDOT Planning and ENV Director
Greg A. Malatek, P.E., TxDOT Austin District Engineer
Debbie Ingalsbe, Precinct One Commissioner
Mark Jones, Precinct Two Commissioner
Will Conley, Precinct Three Commissioner
Ray Whisenant, Precinct Four Commissioner
Mark Kennedy, Hays County District Attorney's Office, Civil Division
Michael J. Weaver, Prime Strategies, Inc.
Dan Wegmiller, Specialized Public Finance, Inc.