



CIBOLO PARKWAY

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The Cibolo Parkway

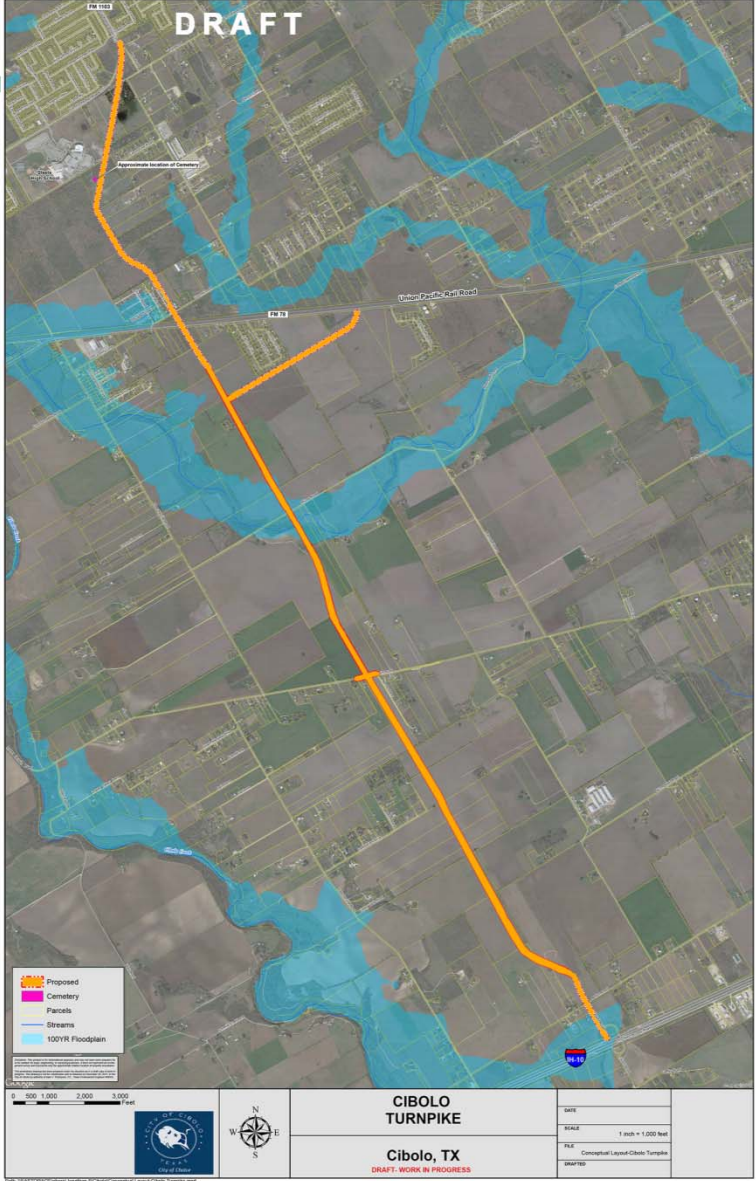
What is the Cibolo Parkway?

The Cibolo Parkway, as envisioned, is a \$125+ million dollar road project which includes a 7-mile long expansion of FM 1103, beginning at the existing intersection of Wagon Wheel Way and FM 1103. The project would also include pursuing two express lanes connecting to IH 35 from Wagon Wheel Way.

The Cibolo Parkway would extend south through largely undeveloped land and connect to IH-10 at the existing Zuehl Road overpass.

The Cibolo Parkway Project would be a private toll road with direct oversight by the City of Cibolo.

At this time, an exact route has not been chosen.



Expectations:

1. Continue to pursue the construction and extension of FM 1103 to IH 10. This goal has been a City objective since 2006 and has been identified within the City's Master Plan and its subsequent thoroughfare plans.
2. Learn from the mistakes associated with the private portion of the Texas 130 toll road project. The lessons learned from the Texas 130 toll road project are extremely important to the City of Cibolo, to TxDOT officials, to Wall Street, and to the private sector investors who consider funding these types of road projects.

Expectations:

3. The proposal as submitted by Texas Turnpike Corporation reduces or eliminates financial risk to the City and allows for a much needed north to south thoroughfare to be constructed, opened and maintained by others potentially within five years. Their proposal is for the private sector to assume this risk without seeking compensation from the City.
 - a) If the City were to finance and construct this road on its own, the City would have to issue long term debt. To issue \$125 million dollars in General Obligation Bonds over a 20-year period (assuming voters authorized the issuance), this debt would require the City's tax rate to increase from \$0.4474 to \$0.9569 if bonds were authorized and issued in 2017. At the conclusion of the 20-year term, city property tax payers would have paid approximately \$188 million dollars for the road extension.
 - b) The City cannot issue Utility Revenue Bonds to construct road projects. If Utility Revenue Bonds were eligible to finance road construction projects, the City would be faced with having to increase its monthly water and sewer rates substantially to retire the debt. Estimated impact to a utility bill would be an additional \$95 monthly if Utility Revenue Bonds were authorized and issued in 2017.

Expectations:

4. The City desires to provide more timely emergency responses from its Police and Fire Departments to properties south of SH 78 within its city limits. On a daily basis in Cibolo, Texas, the city experiences approximately 30-32 trains passing through each day. The number of trains is anticipated to increase as Union Pacific has communicated their intent to construct a second parallel set of railroad tracks through the region.
5. The City will be in control of the project. Determination of where the project will be built would be driven largely by the City's land use plan, as well as projected future development.
6. Only private financing will be used to pay for the project. No local, state or federal tax dollars are proposed to be used to build the road.

Expectations:

7. The project will be financed by the private sector and there is no contemplation of the use of any federal government subsidies or grants including Transportation Infrastructure Finance and Innovation Act loans.
8. The City will control the land acquisition process. All land will be acquired at a fair-market, negotiated value. No private company will use eminent domain to acquire property for this project.
9. The City Council and Texas Turnpike Corporation have already agreed that a “non-compete clause” will not be part of any City proposed development agreement.
10. The project developer, Texas Turnpike Corporation, does not and will not require the City to create a Tax Increment Reinvestment Zone.

Public Werks, Inc.

September 22, 2016

Mr. Robert Herrera
City Manager
City of Cibolo
P.O. Box 826
Cibolo, TX 78108

Re: Cibolo Turnpike


Dear Mr. Herrera,

I would like for this letter to be read into the record in order to clear up any questions surrounding the request by Texas Turnpike Corporation for the City to form a Tax Increment Reinvestment Zone ("TIRZ") along the ultimate path for the new tollroad.

In the early days of formulating a plan for the tollroad, we discussed the requirements for TTC coming together with the City in a partnership to build the tollroad. One of those requirements was that the City needed to form a TIRZ for the purposes of building City facilities necessary for development in the area south of Hwy 78. The thought was that if we develop a road into areas open for new development, then City services would be required for the actual development of commercial and residential activity. For example, such development would require fire and police services/stations, as well as water and sewer lines/facilities to be fully available for potential development. That development would support the use of the tollroad in the out-years and is part of our comprehensive vision of the feasibility of the tollroad. We had also discussed using the TIRZ revenues for support of the coverage required on the debt but never contemplated using those monies for any expenditures on the tollroad or its operation and maintenance. For the record, let this letter speak to fact that TTC is not expecting the pledge of any TIRZ revenues for any costs associated with the proposed tollroad.

Thank you for your professionalism and courtesy the City and its staff has shown TTC throughout this two-year endeavor.

Sincerely,


John N. Crew
President



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