



# 2010-2011 Annual Report

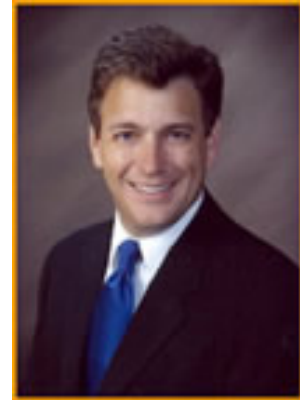
December 2011



# MESSAGE FROM THE FORMER CHAIRMAN

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It has been an honor and a pleasure to serve as the first Chairman of the North East Texas Regional Mobility Authority (NET RMA). Since its inception in 2004, the first meeting in 2005, the NET RMA has grown to include 12 counties representing the common purpose of the northeast Texas region. I am proud of the accomplishments of the NET RMA member counties, our partners, and our communities, yet there is still much more to be achieved. The NET RMA will continue to make solid progress on roadway, rail, transit, and other transportation projects that will enhance mobility and boost economic development throughout our 12-county region.



Some of the NET RMA's major accomplishments that I'm most proud include:

- The NET RMA continuing the planning for the Toll 49 East Texas Hour Glass extension through Smith, Gregg, Upshur, and Harrison Counties.
- The NET RMA contracted with CH2M Hill for the design and construction of the Toll 49 Segment 3B project.
- The NET RMA was awarded a grant by TxDOT for the continued planning and development of a Smith County Multi-Modal Facility.
- The NET RMA entered formal discussions with the Union Pacific Railroad regarding purchase of their abandoned ROW between Whitehouse and Troup.
- The NET RMA began work with Rusk County on the Loop 571 extension near Henderson.
- Construction is nearing completion of Toll 49 Segment 3A, which was designed and made "shovel ready" by the NET RMA through their GEC, Atkins.
- Construction is nearing completion of Toll 49 Segment 5, also designed by Atkins.

I hope you learn more about this agency and these exciting projects as you read this Annual Report. The NET RMA is definitely improving transportation in all of North East Texas, making this a better place to live.

As many of you know, I have resigned as Chairman of the NET RMA to accept a position on the Texas Transportation Commission. I have enjoyed watching and being part of the growth of the NET RMA. I pledge my continued support of the NET RMA in my future endeavors.

A handwritten signature in blue ink, appearing to read "Jeff Austin". The signature is fluid and stylized, with a long horizontal stroke extending to the right.

Jeff Austin III  
Chairman NET RMA, 2004–2011

# MESSAGE FROM THE CHAIR

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I am honored and very excited to be serving the NET RMA as Chair. The NET RMA has accomplished many things during its first five years of existence. The list of project accomplishments that the NET RMA has achieved just during the last two years, as presented in Chairman Austin's letter on the previous page, is outstanding. But that is only the beginning. The NET RMA is poised to accomplish many more positive projects that will help our economy, provide jobs to our region, and enhance our way of life in North East Texas.



I have been on the NET RMA Board of Directors since the agency's inception. In our early years, we spent a lot of time getting organized, passing policies and resolutions, setting up committees, resolving procedural issues, and just growing into a functioning agency. We dreamed a lot and talked a lot, but it was difficult to "see" the progress we were making.

Now, we are making physical accomplishments that all citizens can view and admire. Due to our efforts, as well as to those of our stakeholders, there are three Toll 49 projects under construction: Segment 3A, Segment 3B, and Segment 5. When these three projects are completed, motorists will be able to travel non-stop from SH 110 near Whitehouse all the way around to I-20 near Lindale. Use of these new tollway segments will result in reduced travel times for motorists, reduced truck traffic on Loop 323, and reduced environmental impacts to the region.

More importantly, in early 2013 the NET RMA will begin receiving toll revenue from all of Toll 49. This revenue will help us further plan and finance the Toll 49 East Texas Hour Glass project in Smith, Upshur, Gregg, and Harrison Counties. We will be able to continue our assistance on the Loop 571 Extension in Rusk County. We may even be able to provide some matching funds to additional member counties who allocate revenue for their priority projects in their areas. We expect the Toll 49 project revenue to help fuel many additional transportation projects in the years ahead.

These are exciting times, and I am pleased to have the opportunity to play a part in improving transportation throughout North East Texas. Please join me by doing whatever you can to make North East Texas a better place to live.

Linda Thomas  
Chair NET RMA, 2012



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## Outstanding Progress in Transportation in Northeast Texas

Following its mission to provide solutions to expedite transportation and mobility projects that will improve the quality of life, enhance the regional economy, and ensure efficient mobility in the northeast Texas region, the North East Texas Regional Mobility Authority (NET RMA) accomplished a major milestone by securing funding for the Toll 49 Segment 3B project. This event has moved the NET RMA from being a functioning board towards a full operating transportation agency with the accomplishments made over the past several years. *“With the signing of the CDA contract for Segment 3B, the NET RMA is now in the transportation delivery business,”* stated Chair Linda Thomas. *“When we open the current Toll 49 projects under construction for operation in 2013, we [the NET RMA] will begin receiving toll revenue that will allow us to continue further planning of the Toll 49 East Texas Hour Glass and other important and needed projects in our region.”*

The NET RMA has made outstanding progress on numerous regional transportation projects. Construction plans were completed and construction was initiated on Segments 3A, 3B, and 5 of Toll 49, representing over \$176.7 million in construction. In addition, funding was obtained for planning the Toll 49 East Texas Hour Glass (ETHG) project in Smith, Upshur, Gregg, and Harrison Counties; for planning

a Multi-Modal Transportation Facility (MMTF) in Smith County; and for providing Right of Way (ROW) and Environmental Permitting assistance on the extension of Loop 571 in Rusk County. Furthermore, major negotiations are underway regarding the purchase and preservation of the 10-mile Union Pacific Railroad (UPRR) abandoned ROW corridor between Whitehouse and Troup. A cooperative Memorandum of Understanding (MOU) was signed between the Dallas Area Rapid Transit (DART) and the NET RMA for the planning of a high-speed rail line between Dallas and Shreveport with stops and commuter rail connections provided throughout northeast Texas. Information on each of these exciting transportation improvements for northeast Texas is provided below.

### **TOLL 49 – SEGMENT 3B DESIGN AND CONSTRUCTION**

Toll 49 is currently the flagship project of the NET RMA and the initial design and construction work on Segment 3B was the NET RMA’s flagship accomplishment of fiscal year (FY) 2011. FY 2011 started with the signing of Texas Transportation Commission Minute Order 112475 on October 18, 2010. This Minute Order provided for the issuance of approximately \$90 million in loan funds through a State Infrastructure Bank (SIB) loan and Toll

Equity Loan Agreement (TELA) from the Texas Department of Transportation (TxDOT) to the NET RMA, both of which will be repaid by toll revenue.

Former NET RMA Chairman, Jeff Austin III, stated, *“This has been the NET RMA’s top priority, and represents a lot of hard work over a number of years by the region and the cities of Tyler, Lindale, Whitehouse, and other surrounding communities.”*

With funding in place, the NET RMA then signed a Comprehensive Development Agreement (CDA) with CH2M Hill on March 31, 2011, for the design and construction of Segment 3B.

Toll 49 Segment 3B begins at the termination of Segment 3A at SH 31 west of Tyler, and extends approximately 10.2 miles north to the intersection with I-20 (Figure 1). CH2M Hill is concurrently designing and constructing the western two lanes of an ultimate four-lane divided roadway. During FY 2011, CH2M Hill completed approximately 54 percent of their design work, representing more than \$6.1 million in approved design efforts. In addition, CH2M Hill completed over 29 percent of the project construction, amounting to over \$17 million in transportation improvements for the NET RMA. The Toll 49 Segment 3B project remains both within budget and on schedule. It is expected that the Toll 49 Segment 3B project will open to traffic in early 2013.

CH2M Hill initiated their construction with the northbound entrance ramp and southbound exit ramp for SH 31. Major culverts were constructed in Indian Creek (Figure 2), Neches tributaries 1 and 2, and at several smaller tributaries. Earthwork consisting of cutting down major hilltops and placing up to 40 feet of fill (over 484,200 cubic yards) was substantially completed between SH 31 and SH 64. A traffic detour was placed at SH 64 to allow for the initial construction of the SH 64 underpass.

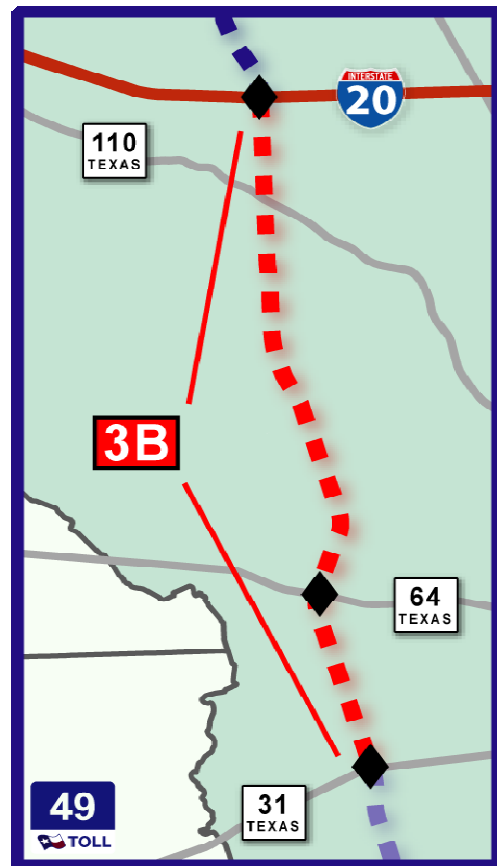


Figure 1: Location of Toll 49 Segment 3B



**Figure 2: Culvert construction at Indian Creek**

Foundations and abutments for bridge construction at CR 1145 and SH 64 were also nearly completed. During all of these construction activities, the NET RMA continued to publish public notices about construction activities as well as traffic notices informing the traveling public of roadway lane closures, detours, and temporary roadway closures. FY 2011 closed out with all of the design, construction, and public information activities continuing within budget and on schedule for Toll 49 Segment 3B.



**Figure 3: Earthwork construction  
on Toll 49 Segment 3B**

### **TOLL 49 – EAST TEXAS HOUR GLASS**

During FY 2011, major steps were taken by the NET RMA towards funding the planning of the Toll 49 ETHG, a proposed extension of Toll 49 that includes segments 6, 6A, 7, 8, and 8A. The approximately 80-mile road will extend east from SH 110 in southeast Tyler to I-20 at the Gregg County line then north and east around Longview to US 259 and then easterly to US 59 / I-69 north of Marshall. The Toll 49 ETHG is in conceptual planning. Corridor and environmental studies must be completed before the alignment of the proposed roadways can be accurately established; however, conceptual alignments are illustrated on the ETHG map (Figure 4).

During FY 2011, the NET RMA Board of Directors allocated \$1.5 million towards the funding of initial studies for the ETHG. The proposed studies would 1) evaluate the feasibility of constructing the ETHG as a toll road; 2) project the traffic and revenue that would be generated by the proposed project as a toll road; 3) map sensitive environmental constraints (e.g., cemeteries, archeological sites, wetlands, and hazardous, radioactive, and toxic waste [HTRW] sites) to be considered and, if possible, avoided during construction of a roadway; 4) determine the Purpose and Need for the project (a mandatory step required to receive Federal funding on transportation projects); and 5) determine the types of financing that could be used

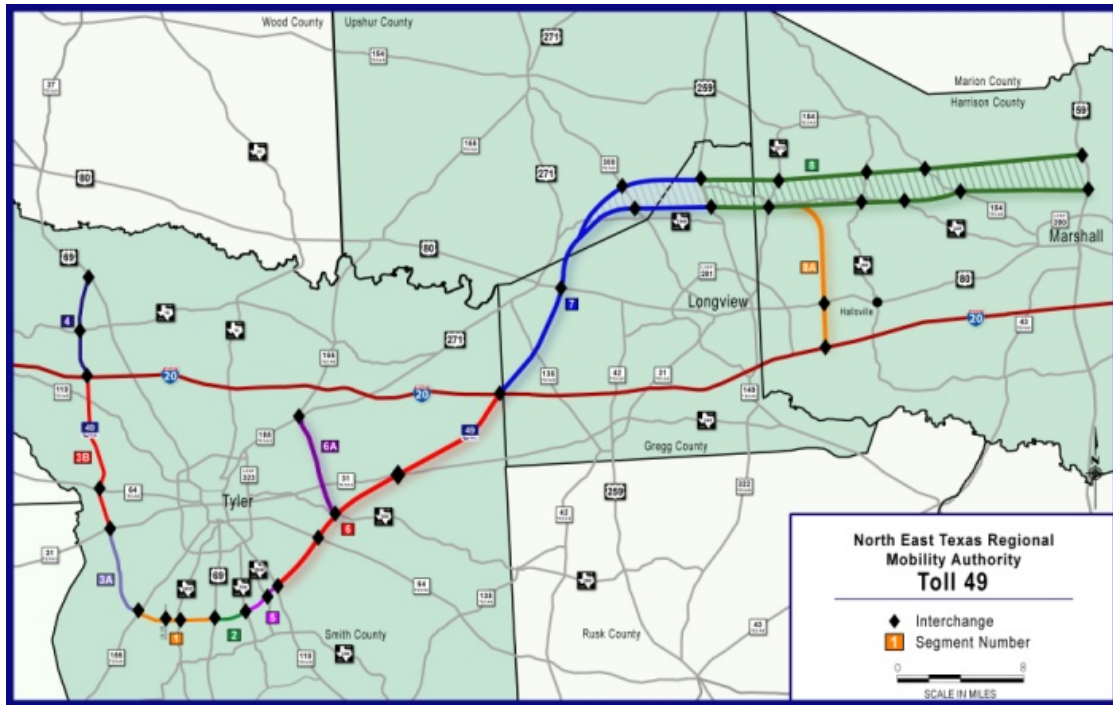


Figure 4: Conceptual Location of Toll 49 ETHG

for further planning, design, construction, and maintenance of the roadway. The NET RMA signed a Work Authorization in August 2011 to initiate additional studies of the Toll 49 ETHG. It is anticipated that a significant amount of conceptual planning and development for this important roadway will be conducted during FY 2012.

TxDOT has two projects in progress on Toll 49: segments 3A and 5.

Segment 3A was funded by the American Reinvestment and Recovery Act (ARRA) and extends from SH 155 and connects to SH 31 west of Tyler. Construction began in 2009 and is scheduled for completion by the end of 2012.

Segment 5 extends between FM 756 (Paluxy) and SH 110 in Whitehouse.

Construction started in February 2010 and is scheduled for completion by the end of 2012. Funding is provided by TxDOT based on Proposition 14.

“This entire Toll 49 project has been a long time coming,” states Larry Krantz of TxDOT Tyler District. “I’m just glad we can see progress continuing to be made.”

### LOOP 571 EXTENSION – RUSK COUNTY

The NET RMA is assisting TxDOT Tyler District and Rusk County with planning and design of an extension of Loop 571 in Henderson, Rusk County, Texas. Rusk County provided approximately \$411,600 in funding to the NET RMA for assistance on the project. The project will consist of extending Loop 571 (Figure 5) approxi-



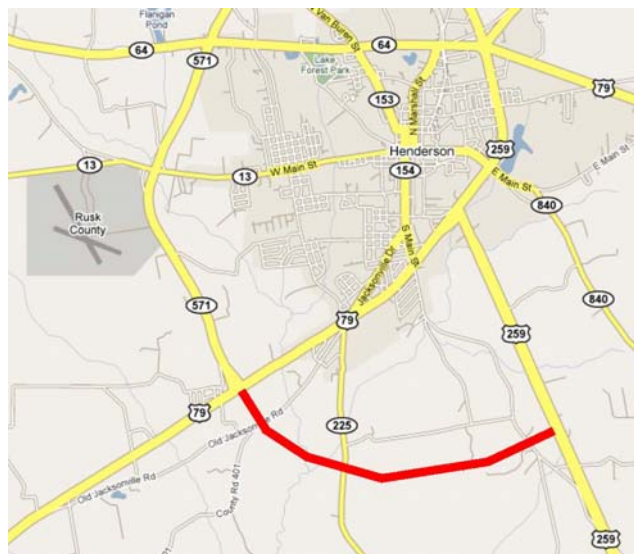
mately 3.4 miles, from US 79 east to US 259.

TxDOT and Rusk County reached an agreement that TxDOT would complete the preliminary schematic designs for the roadway extension and the environmental documents for the project, hold public hearings as required, and prepare ROW maps and deeds. The NET RMA and Rusk County agreed that the NET RMA would conduct environmental field surveys, and provide ROW agents to assist in the acquisition of the required ROW. In FY 2011, the NET RMA assisted with the initial location of important wetlands and potential archeological sites within or near the potential roadway corridor. TxDOT is completing the schematic plans for the roadway and scheduling public hearings. In FY 2012 the NET RMA will finalize the required environmental field surveys and initiate work to acquire the required ROW.

## SMITH COUNTY MULTI-MODAL TRANSPORTATION FACILITY

In FY 2011, the NET RMA elected to team with Smith County to study the feasibility of building an MMTF in Tyler. As proposed, the MMTF would consist of a 15,000-square-foot (sf) customer service center and an adjacent 200,000-sf five-level parking garage. The customer service center would contain tenant offices, customer service counters, an operations center for the Coordinated Travel Management System (CTMS), and a large lounge where customers could wait on transit services.

Services within the Smith County MMTF may include taxi services, rental car agencies, local and regional bus services, Greyhound National Bus services, para-transit services, shuttle bus service to regional airports, and eventually



**Figure 5: Conceptual Alignment of Loop 571 Extension, Henderson, Texas**



**Figure 6: Conceptual Layout for Smith County MMTF**

commuter/high-speed rail connections to Dallas and Shreveport.

The NET RMA, working in conjunction with Smith County Transportation Advisory Committee (STAC) Chairman and former NET RMA Board Member Jamal Moharer, submitted a Transit Grant Application under the TxDOT 2011 Coordinated Call for Request for Proposals for the conduct of a \$130,000 Smith County MMTF feasibility study. This resulted in the NET RMA receiving a TxDOT grant for \$120,000, along with a matching grant award from Smith County for \$10,000.

It is anticipated that the Notice to Proceed (NTP) for the \$130,000 Smith County MMTF feasibility study will be received in early FY 2012. The majority of the feasibility study should be completed during FY 2012 and early 2013.

### **UNION PACIFIC RAILROAD ABANDONED RIGHT OF WAY**

The NET RMA, in conjunction with and representing Smith County, the cities of Troup, Tyler, and Whitehouse, the Tyler Economic Development Corporation, the Tyler Area Metropolitan Planning Organization, and TxDOT, wishes to acquire the rail line and ROW corridor currently owned by UPRR between Troup and Whitehouse, Texas (all located in Smith County).

In September 2006, UPRR notified TxDOT of their plans to abandon the Troup to Whitehouse rail corridor known as the Tyler Industrial Spur from the intersection of Palestine subdivision to the city of Whitehouse. TxDOT submitted a letter of interest to cooperate with NET RMA to acquire the ROW and then transfer the ROW to the NET RMA. Due to limited funding, TxDOT rescinded their offer and declined to purchase the ROW on behalf of

the NET RMA in 2007. The NET RMA subsequently submitted a letter directly to UPRR requesting a potential lease/purchase option to secure the ROW for the region in April 2009.



**Figure 7: Whitehouse–Troup Union Pacific Railroad ROW Corridor**

The NET RMA proposes that this section of rail corridor, along with the Toll 49 corridor, should be named the “Smith County Multi-Modal Corridor.” The NET RMA and numerous local supporting agencies want to set aside the corridor for future transportation use, including a public utility corridor, hike and bike trails, roadway expansion, and passenger rail. The NET RMA proposes to purchase the corridor with the support of the agencies listed above. The use of the corridor will be evaluated on an annual basis to ensure that it is utilized at its highest and best use. If at any time the use of the corridor is proposed to change, this process would allow for public notification and comment.

For the short term, the Smith County Multi-Modal Corridor will be proposed as a mixed-use facility with the initial purpose of the facility as a combination of a utility corridor and hike and bike trails. The cities of Whitehouse and Troup have expressed interest in developing the corridor into trails facilities. In addition, Troup and Whitehouse have purchased water rights to the Lake Columbia project, which is being developed by the Angelina Neches River Authority. The Smith County Multi-Modal Corridor could provide a convenient and economic location for installation of the raw water lines for these cities.

For the long term, significant population growth is anticipated to continue in Smith County and throughout northeast Texas over the next 20 to 25 years. This will require a greater reliance on alternative transportation options. The Smith County Multi-Modal Corridor could potentially be developed into a passenger rail corridor that would provide commuter service from Troup and Whitehouse to Tyler Junior College, the Tyler Medical District, downtown Tyler, and the Smith County Court House.

In 2011, the NET RMA corresponded with UPRR concerning the purchase of the Whitehouse–Troup ROW corridor. In late 2011, the NET RMA commissioned an appraisal of the ROW to determine required funding levels for the ROW acquisition. Results of the ROW appraisals are expected in early 2012.

## NET RMA / DART MEMORANDUM OF UNDERSTANDING

The NET RMA and Dallas Area Rapid Transit (DART) signed an MOU in May 2011 that offers opportunities for the two agencies to cooperate in the development of both high-speed and commuter passenger rail service in the north and northeast Texas regions. The signing ceremony took place at Dallas Union Station and allowed both parties to share their vision for passenger rail service. The agreement acknowledges the importance of coordinated efforts in transportation planning to identify needed passenger rail corridors, design beneficial regional projects, and secure funding for priority passenger rail projects throughout the regions.

Gary C. Thomas, President and Executive Director of DART, stated *“DART is proud of the light rail and transit services that it*

*provides to the Dallas Metroplex. DART is excited about expanding its local service area through the extension of the ORANGE LINE to North Irving and Las Colinas, and the extension of the BLUE LINE linking the downtown Garland Station to the proposed downtown Rowlett Station. However, DART is even more excited about the possibilities of extending light rail and high-speed rail services throughout all of North and North East Texas.”* NET RMA Board Chairman Jeff Austin III commented that passenger rail service between Dallas and Shreveport would *“improve connectivity and mobility in the region, assist in improving air quality, and provide alternative transportation options throughout northeast Texas.”* The NET RMA, in cooperation with DART and its regional partners, can provide viable and beneficial transportation solutions to enhance mobility and economic development throughout the entire north and northeast Texas regions.





In August, the NET RMA held initial meetings with representatives from DART, the cities of Mesquite, Tyler, and Longview, the East Texas Council of Governments, and the North Central Council of Governments to discuss the possibility of providing passenger rail service between Dallas/

Mesquite and Shreveport/Bossier City. These meetings develop concepts for both high-speed and commuter passenger rail service, evaluate possible rail corridors, and investigate potential funding sources. They are expected to continue throughout FY 2012 and beyond.



## NET RMA BOARD MEMBERS

LINDA RYAN THOMAS, CHAIR

**Dave Spurrier**  
Secretary  
Gregg County

**Andy Vinson**  
Treasurer  
Chairman, Public Outreach  
Rusk County

**Keith Honey**  
Chairman, Compliance and  
Oversight  
Gregg County

**Mike Thomas**  
Smith County

**Barham Fulmer**  
Smith County

**Gary Halbrooks**  
Chairman, Finance Committee  
Smith County

**Rodney Gilstrap**  
Harrison County

**Edward Smith**  
Harrison County

**Barry Tucker Hughes**  
Chairman, Long-Range Planning  
Cherokee County

**Robert Murray**  
Bowie County

**Jeff Sandford**  
Bowie County

**Hudson Old**  
Titus County

**Walta Phippen Cooke**  
Panola County

**Celia Boswell**  
Chairman, Rail Committee  
Wood County

**Bill Rowton**  
Van Zandt County

*Pending*  
Cass County

*Pending*  
Harrison County

*Pending*  
Upshur County

*Pending*  
Gregg County



Ground breaking ceremony at Toll 49 Segment 3B

**North East Texas Regional Mobility Authority**  
**Budgeted Operating Revenues and Expenses**  
**For the Year Ended September 30, 2012**

Revenues:

County contributions	\$	36,000
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Expenses:

Accounting fees	*	18,000
Auditing fees	*	20,000
Legal fees and notices - Toll 49	*	165,500
Legal fees - other		10,000
Travel expenses		2,000
Seminars and conferences		100
Surety bonds		3,500
Dues and subscriptions		150
Other expenses	*	3,700
Public information expense	*	52,000
Website expenses	*	15,000

Total expenses		289,950
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* Amounts funded by		
SIB and Toll Equity loans		(274,200)

Unfunded expenses		15,750
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Excess of Revenues

Over Unfunded Expenses	\$	20,250
Environmental studies (revised 092611)		0

**North East Texas Regional Mobility Authority**  
Budget for Toll 49 Seg. 3B  
For the Year Ended September 30, 2012

Sources of Funds:

State Infrastructure	
Bank Loan (SIB loan)	\$ 18,283,561
Toll Equity Loan	23,336,073
Funds carried over from prior year	7,711,272
Funds carried forward to future year	<u>(1,250,140)</u>
Total	<u><u>48,080,766</u></u>

Project Expenditures:

Design build developer costs		40,561,805
Construction contingencies		500,000
Right-of-way purchases		-
Design oversight and quality assurance		700,000
Construction oversight and quality assurance		1,983,500
Toll system integration contract		1,538,941
Material testing lab		407,000
Environmental permitting and archeological permits		1,440,620
Environmental monitoring		22,500
TxDOT offsite plant inspection		71,200
Other project expenses	(1)	114,000
Administrative costs	(1)	<u>741,200</u>
Total Expenditures		48,080,766

Transfer:

Environmental studies (revised 092611)		<u>-</u>
Total Expenditures and Transfer		<u><u>\$ 48,080,766</u></u>

Notes:

(1) Part of these costs are recognized as expenses in the operating budget.



**North East Texas Regional Mobility Authority**  
Budget for Loop 571 / Rusk County  
For the Year Ended September 30, 2012

Sources of Funds:

Rusk County funds	\$	-
Funds carried over from prior year		288,424
Funds carried forward to future year		<u>(45,000)</u>
Total		<u><u>243,424</u></u>

Project Expenditures:

ROW Acquisition Services		90,895
Environmental Permits / Archeology		67,389
Project Management / Coordination		20,140
Project Director		30,000
Legal Services		25,000
Other Expenses		<u>10,000</u>
Total expenses	\$	<u><u>243,424</u></u>

**North East Texas Regional Mobility Authority**  
**Budget for Smith County Multi-Modal Facility**  
**For the Year Ended September 30, 2012**

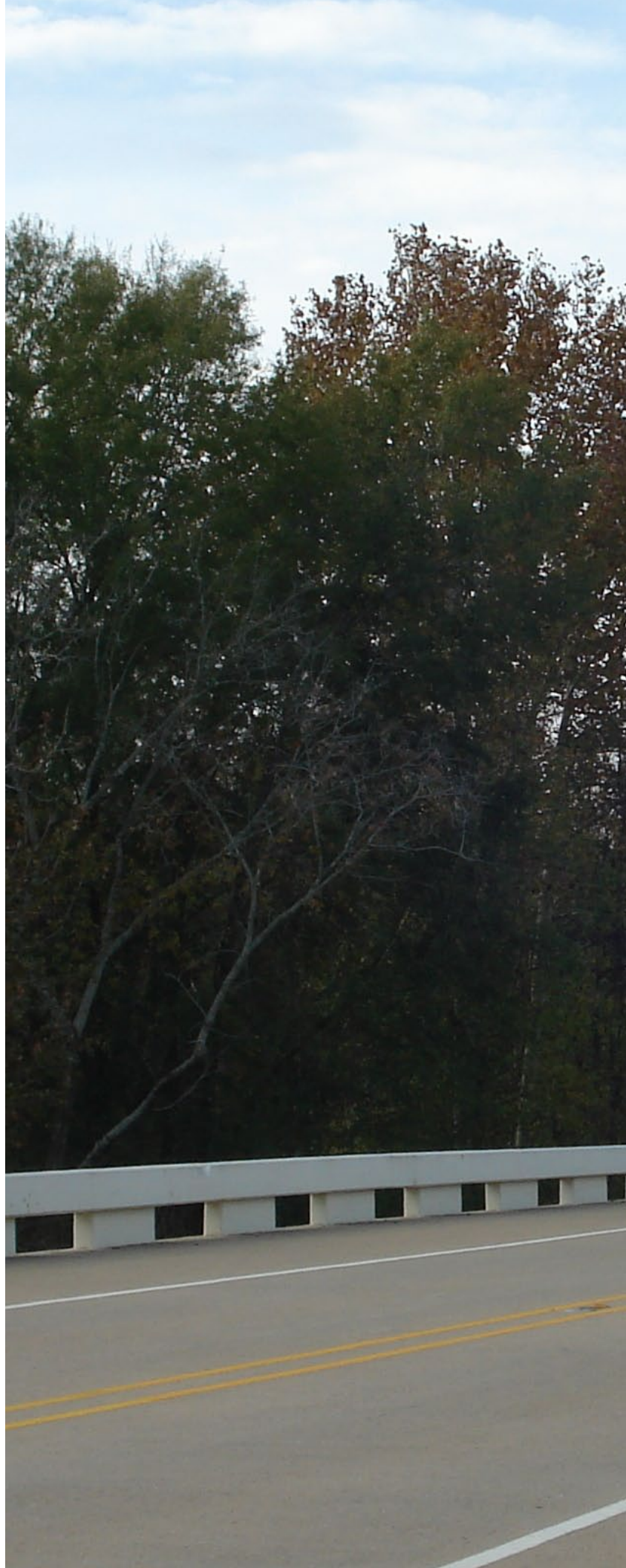
Sources of Funds:

TxDOT Transit Grant	\$	120,000
Smith County Funds		<u>10,000</u>
Total		<u><u>130,000</u></u>

Project Expenditures:

Feasibility planning	\$	<u><u>130,000</u></u>
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