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LBJ Express a P3 Benchmark.

Cintra's LBJ Express managed lanes toll road was opened to traffic in north Dallas three months ahead of schedule on Sept. 10, marking another major P3 milestone in Texas for developer-operator Cintra and its sister company, Ferrovial Agroman.

According to Russell Zapalac, Chief Planning & Project Officer for the Texas Department of Transportation (TxDOT), neither TxDOT nor Ferrovial requested any change orders to the \$2 billion design-build contract signed in 2011 to rebuild 16 miles of I-635 and I-35E north of Dallas. Among other things, 10 miles of cantilevered structures were built under traffic that peaked in the corridor at about 270,000 vehicles per day.

Likewise, Cintra opened 13.5 miles of its North Tarrant Express managed lanes project in Dallas on Oct. 4, 2014, almost nine months ahead of schedule and with contractor change orders of only \$5 million, according to Zapalac. Ferrovial started construction in May 2014 on a second segment of the North Tarrant Express on I-35W north of Fort Worth.

The on-time completion of LBJ is significant in many ways. It is one of the most technically complex transportation projects ever attempted in the U.S. under a fixed-price contract. The dynamically priced managed lanes will double the capacity of the corridor, and operate in direct competition with eight general-purpose lanes, which are being rebuilt next to and, in some sections, above the managed lanes.

LBJ Express is the largest greenfield toll road project financing P3 ever closed in the United States. Cintra assembled \$2.2 billion in nonrecourse debt and investor equity for a financial close in July 2010. Including a TIFIA loan, those private funds were supported by \$490 million in public grants committed by TxDOT.

LBJ's timely completion vindicates a big bet made by TxDOT and Ferrovial in 2009 that a large segment of the project could be built in a narrow section of the existing right of way without putting it in an expensive tunnel.

TxDOT conceived of LBJ as a tunneling project. In discussions with TxDOT, Ferrovial proposed instead to put the managed lanes in a trench and cantilever the general purpose lanes above them. Many U.S. contractors believed that Ferrovial had made a \$1-billion mistake — the difference between Dragados's tunnel price and Ferrovial's price to stay above ground and work around the relentless traffic there. Its on-time completion suggests Ferrovial was up to the traffic management challenge.

The DBFOM contract price of \$2.485 billion includes 47 years of O&M by Cintra, including dynamic toll operations and most back office functions. Billing will be done by the North Texas Tollway Authority, which operates most of the region's toll roads along with TxDOT. Total cost of the project including ROW and other owner costs is \$2.983 billion.

NCPPP

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By William Reinhardt

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