

HCRMA

HIDALGO COUNTY REGIONAL MOBILITY AUTHORITY

Dennis Burtson,
Chairman

October 30, 2007

Rick Perez
Vice-Chairman

The Honorable J.D. Salinas
County Judge
Hidalgo County
100 E. Cano St.
Edinburg, Texas 78539

Ramiro E. Salazar
Secretary/Treasurer

Dear Judge Salinas:

Joe Olivarez
Board Member

The Hidalgo County Regional Mobility Authority (the "Authority") is proud to be Hidalgo County's (the "County's") partner in enhancing mobility for the residents, businesses, and visitors to the County.

Ruben D. Plata
Board Member

Ruben Serna
Board Member

As you are aware, the Authority is moving forward with its initial project, the Hidalgo County Loop Project (the "Project"). We have engaged a Pass-Through Agent to assist us in this effort and are in the process of developing a financing plan, which includes some of the innovative financing tools available to counties. We are appreciative of the leadership you and the County have taken in this arena, particularly with regard to the vehicle registration fee.

Ricardo Perez
Board Member

The initial step toward developing the Project is to undertake the preliminary engineering studies of the proposed plan. Such review must be in compliance with the National Environmental Protection Act ("NEPA"). The County has already received a federal allocation of funds for the development of schematics, public involvement, right-of-way determination and environmental impact studies for a portion of the Project. It is the Authority's desire to consolidate these engineering studies for the entire Project. We believe a single study will ultimately not only save limited public dollars, but will also provide a unified, comprehensive result, in the spirit of NEPA best practices.

Accordingly, the Board of Directors of the Authority proposes that the County permit the Texas Department of Transportation to reassign the federal grant awarded to the County for this Project to the Authority. Such assignment would not change the purpose or any restrictions on the funds. The sole difference would be the

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administration of the funds by the Authority rather than the County. Of course, this difference in administration would permit a single engineering study of the entire Project and avoid piecemealed review.

If the County's federal award is reassigned to the Authority, the Authority will assume responsibility for the local matching dollars required thereunder. However, we request the County's assistance in demonstrating to the Texas Transportation Commission that, as an economically disadvantaged county, local matching requirements should be adjusted under Section 222.053 of the Texas Transportation Code, to reflect effort and ability to meet such requirement.

Thank you for your consideration of this proposal. It is the intention of the Authority to be an honorable steward of the responsibilities with which you have tasked us. Please let me know if you have any questions or require additional information.

Sincerely,



Dennis Burleson
Chairman, Hidalgo County Regional Mobility Authority

cc: Hidalgo County Commissioners
Gerry Pate, Pate Transportation Partners