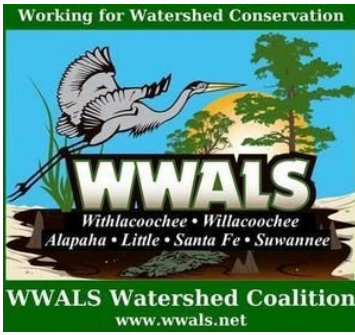


October 14, 2020



To: FDOT.Listens@dot.state.fl.us

Dear FDOT,

Please find on the following pages my comment about the M-CORES toll roads project.

You may find it more legible online here:

<http://wwals.net/?p=53526>

The Task Forces, FDOT, the legislature, and the governor really have only one option: no build!

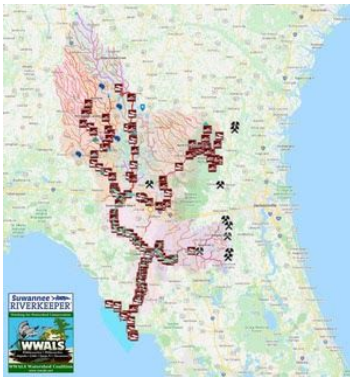
For the rivers and the aquifer,

John S. Quarterman
Suwannee RIVERKEEPER®

/s

WWALS Watershed Coalition, Inc.
contact@suwanneeriverkeeper.org

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WWALS is an IRS 501(c)(3) nonprofit
charity est. June 2012

WWALS Watershed Coalition advocates for conservation and stewardship of the Withlacoochee, Willacoochee, Alapaha, Little, Santa Fe, and Suwannee River watersheds in south Georgia and north Florida through education, awareness, environmental monitoring, and citizen activities.

Suwannee RIVERKEEPER® is a program and a paid staff position of WWALS.



Why would Florida toll roads be different? Broke from the start: Texas SH 130 toll road

Why would we expect the Florida M-CORES toll roads would be any different, since they were foisted on the public by a questionable process, just like the Texas SH 130 toll road?

“The original estimates for this job were terribly overstated,” SH 130 Concession Company’s current CEO, Andy Bailey, told KXAN. “The original traffic projections were wildly overstated. The company did a couple of additional traffic projections and still missed.”...

The bankruptcy filing accused SH 130’s management of knowingly paying CTHC for work the company “had not properly completed” and work that “would cause systematic problems” to the highway in the future....

Known cracking and heaving problems not fixed

One of the main elements of the September 2018 bankruptcy filing is accusations that “Ferrovial and Zachry-controlled managers caused the SH 130 Concession Company to pay Central Texas Highway Constructors, known as CTHC, more than \$329 million in payments the lawsuit characterizes as ‘fraudulent.’”...



Photo: Gretchen Quarterman, [Cracked dirt and SH 130 construction](#), 2006-08-11.

Key words in this story: “fraudulent,” “improperly completed,” “insolvent,” “bankruptcy,” and more.

How can the Suncoast Connector possibly have enough traffic to pay for itself, when, as [Tall Timbers points out](#), “US Highway 19, a four-lane divided roadway, runs throughout the length of the eight-county Suncoast Connector planning area and is substantially underutilized. In fact, for much of its route through the toll road planning area, US 19 functions at between 16 and 20 percent of its maximum service volume.”

SH 130 was touted as traffic relief around Austin for I-35. Actually, it carries mostly truck traffic, and it’s not clear it will ever pay for itself.

What are Suncoast Connector and the other M-CORES toll roads really good for? Nothing but pork for their proponents, as near as I can tell.

No build!

Jody Barr, KXAN, 14 November 2018, [Former SH 130 executives accused of hiding road defects from lenders](#),

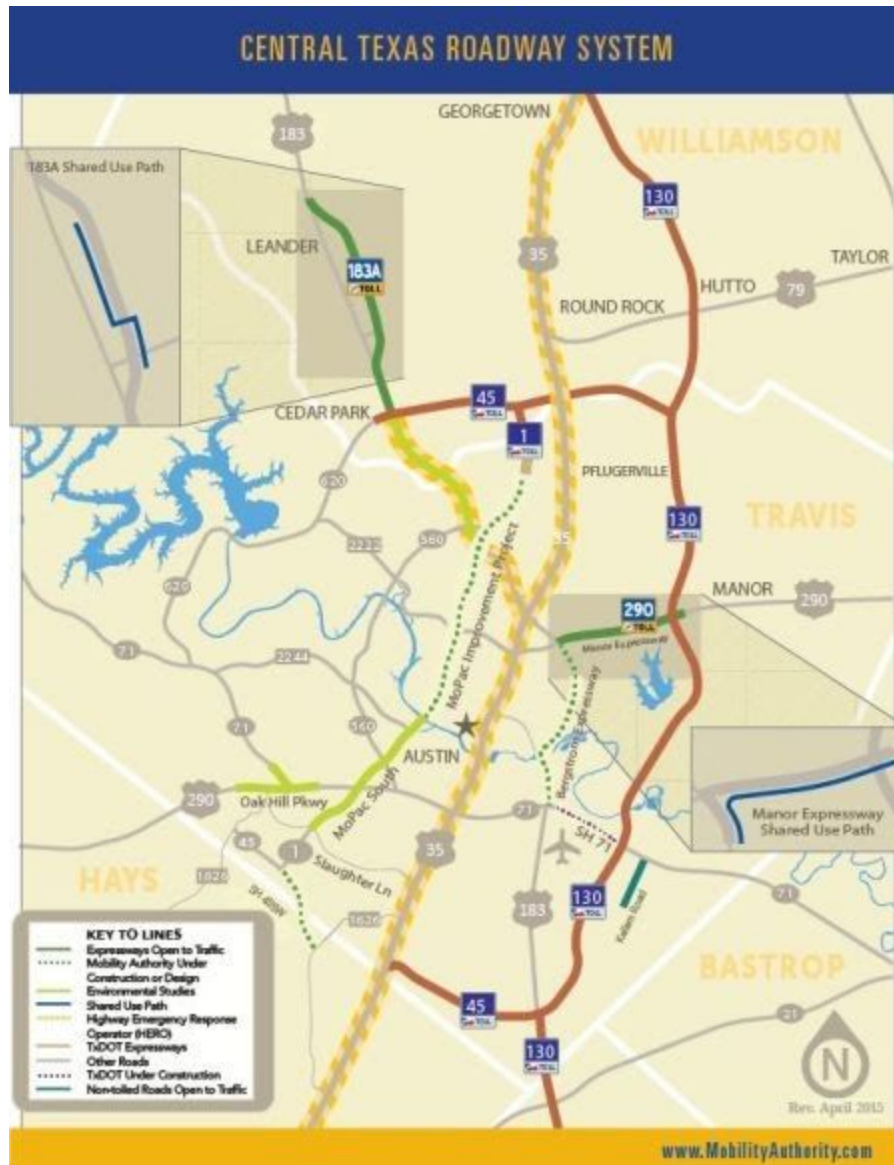
AUSTIN (KXAN) — The new owners of the private company that owns and operates the southern sections of SH 130 has accused the company’s former owners of concealing construction defects from lenders during the building of the private portion of the tollway.



Photo: John S. Quarterman, [Intersection](#), SH 130 with Blue Bluff Road, Manor, TX, 16 July 2009

The original SH 130 Concession Company filed for Chapter 11 Bankruptcy in 2016, less than four years after the tollway opened to traffic. Court filings in that ongoing bankruptcy case accuse the original owner/operator of the tollway, Ferrovial (a Spanish company) and Zachry (a San Antonio-based construction firm) of paying \$329 million in “fraudulent” payments to a construction company Ferrovial and Zachry created to design and build SH 130.

That designer and builder was known as Central Texas Highway Constructors. Court filings show Zachry and Ferrovial each held a 50 percent ownership stake in CTHC at the time.



Central Texas Roadway System – brand-new highways (mostly tollways) under construction and planned.
Map: CTRMA.

in [Austin — National model for how roads are strangling transit development](#), Austin Rail Now, 31 October 2016.

During the bankruptcy case, the court awarded the SH 130 Concession Company to the “senior creditors:” the original lenders who funded the \$1.1 billion price tag to build the tollway. Nearly half of that total came from a \$550 million U.S. Department of Transportation loan.

The new SH 130 Concession Company is now trying to save the privately-owned section of SH 130 by making sure the toll company is making more money than it’s spending.

Broke from the start

In the takeover of the private tolling company, the lenders the original SH 130 Concession Company owed money to got access to emails, documents, meeting records and financial records no one outside the company had access to before. What those records show, the new owners allege, was a private

company trying to hide critical information about large-scale construction problems with a billion-dollar public highway.

The trouble started with the traffic forecasting, which initially showed there would be enough traffic to allow the private toll company to pay the \$1.1 billion in loans it used to build the highway, the bankruptcy filing contends. The forecasting was done by an Australian company, Maunsell Australia Proprietary Limited.

SH 130 Traffic Forecasting

2013: \$69.9 million in projected toll revenues. \$18.355 million was the actual toll revenue for 2013, the first full year Sections 5 and 6 were open.

2013: original traffic counts were 40,000 toll trips per month. Actual toll trips for 2013 “barely exceeded” 5,000 toll trips each month.

Source: Sept. 28, 2018 amended complaint in the SH 130 Concession Company bankruptcy case

“The original estimates for this job were terribly overstated,” SH 130 Concession Company’s current CEO, Andy Bailey, told KXAN. “The original traffic projections were wildly overstated. The company did a couple of additional traffic projections and still missed.”



Photo: John S. Quarterman, [Traffic and light poles](#) on SH 130 south of Manor, TX, 2009-07-16.

Messages seeking comment for this report sent to Maunsell Australia Proprietary Limited's media relations department were not answered.

In a September 2018 federal court filing, the new SH 130 Concession Company owners included quotes from internal emails between Ferrovial, Zachry and SH 130's then-chairman. The emails showed, according to the filing that the executives knew the project was going broke.

"Avoid the firms that normally work for TXDOT," one executive is quoted as writing. "SH 130's insolvency was not merely known to its affiliates; it was a central focus for them," the lawsuit stated.

"SH 130's Chairman (a Cintra executive) expressed 'shock' at the 'poor income prospects of SH 130,'" another email included in the lawsuit stated.

"SH 130's Ferrovial- and Zachry-controlled managers knew in 2012 that the Facility, even if properly designed and constructed, would never generate revenue sufficient to repay the more than \$1.1 billion SH 130 owed its lenders," the September 2018 bankruptcy filing stated.

"I believe that the fundamental reasons that the company went into bankruptcy was the flawed traffic projections," Bailey told KXAN.

Known cracking and heaving problems not fixed

One of the main elements of the September 2018 bankruptcy filing is accusations that "Ferrovial and Zachry-controlled managers caused the SH 130 Concession Company to pay Central Texas Highway Constructors, known as CTHC, more than \$329 million in payments the lawsuit characterizes as 'fraudulent.'"

The original design and construction contract included...

"I've been in this business for 40 years. When I came out here the first time, I had never seen a road with this light truck traffic, with this age, in the condition it was in," the new SH 130 Concession Company CEO Andy Bailey told KXAN....

There's more in the story. In addition to wildly overestimating traffic, it's almost like the SH 130 people didn't understand the ground they were building on. Those cracks in that first picture? Here's how big they are. And when it rains, that same dirt turns to muck you'll sink into ankle-deep.



Photo: Gretchen Quarterman, [Dr. Pepper can in cracked dirt](#) 2006-08-11.

The Florida equivalent of those Texas dirt cracks is sinkholes.

Is there some reason to believe M-CORES understands local conditions any better, considering it plans to build across the Suwannee River and through wetlands and forests, in the fragile karst limestone of the springs heartland of Florida?