

City of Fort Worth, Texas

# Mayor and Council Communication

DATE: 06/25/24 M&C FILE NUMBER: M&C 24-0562

LOG NAME: 20CAVNUE AND COFW TERM SHEET

SUBJECT

(CD 10) Authorize Execution of a Right-of-Way Use Agreement with Cavnue, LLC for the Development and Operation of Private, Center-Running, Delineator-Protected Connected and Automated Vehicle Lanes Adjacent to Intermodal Parkway within the City's Right-Of-Way and Authorize a Waiver of Fees in the Estimated Annual Amount of \$517,250.00

RECOMMENDATION:

It is recommended that the City Council:

1. Authorize execution of a right-of-way use agreement with Cavnue, LLC for the development and operation of private, center-running, delineator-protected connected and automated lanes adjacent to Intermodal Parkway within the City of Fort Worth right-of-way; and
2. Authorize a waiver of fees in the estimated annual amount of \$517,250.00 to serve a public purpose by providing for the construction and maintenance of new traffic lanes, divert freight traffic and reduce traffic congestion.

DISCUSSION:

Cavnue, LLC, is working with Hillwood to build the Alliance Digital Logistics Hub (ADLH): a digitally integrated advanced freight ecosystem that will accelerate economic growth within the City of Fort Worth, at Alliance Texas, and throughout the region. The ADLH combines optimized physical infrastructure (e.g., lane geometry, road surface conditions, signage, and pavement markings, all maintained by Cavnue, LLC to a premium required by automated vehicles) with Cavnue's digital infrastructure (roadside poles equipped with sensors and communication hardware, linked to Cavnue's proprietary software platform), enabling the automated, safe, and efficient movement of goods and people.

Intermodal Parkway between Farm to Market Road156 and Old Farm to Market Road156 is one of the primary links between the Burlington Northern Santa Fe Alliance and the Alliance Logistics Accessibility Connector as well as the adjacent Alliance Westport access roads that will be built by Hillwood. Connected and Automated Vehicles (CAV) Lanes (private lanes adjacent to Intermodal Parkway for connected and automated vehicles) on the Intermodal Parkway/Fort Worth Segment City right-of-way will safely connect these project components and allow for the ADLH's planned extension to Interstate-35 West and State Highway 170.

Fort Worth and Cavnue will enter into a right-of-way use agreement which will provide Cavnue with a license for the use of a defined portion of the City right-of-way to finance, design, construct, operate and maintain a private road within the licensed area and collect subscriber fees for use of ADLH infrastructure (with the exception of the access points that allow general purpose traffic to turn onto adjacent access roads and properties), in order to maximize the impact of a fully dedicated, safe, and streamlined environment for advanced freight movements. This is a pilot project. The term of the agreement will be for a period of 40 years. If the agreement is terminated, the roadways will be owned by the City.

The estimated annual amount of the fee for use of the right-of-way is \$517,250.00. By approval of this M&C, the City Council finds that waiver of the fee serves a public purpose by providing for the construction and maintenance of new traffic lanes that divert freight traffic from and reduce congestion on the public roadway, and the opportunity to provide the City with future access to the digital platform for improved traffic operations and incident detection. The City Council further finds that sufficient contractual controls are in place to ensure that public purpose is met.

FISCAL INFORMATION / CERTIFICATION:

The Director of Finance certifies that approval of this agreement will have no material effect on the Fiscal Year 2024 Budget. While no current year impact is anticipated from this action, any effect on expenditures and revenues will be budgeted in future Fiscal Years and will be included in the long-term financial forecast.

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Expedited

