

FM 1187 UTILITY LOAN IN ALEDO

PUBLIC MEETING|11.9.2026

BACKGROUND

- The Regional Transportation Council (RTR) funded the FM 1187 widening from FM 5 to Maverick Street in 2018.

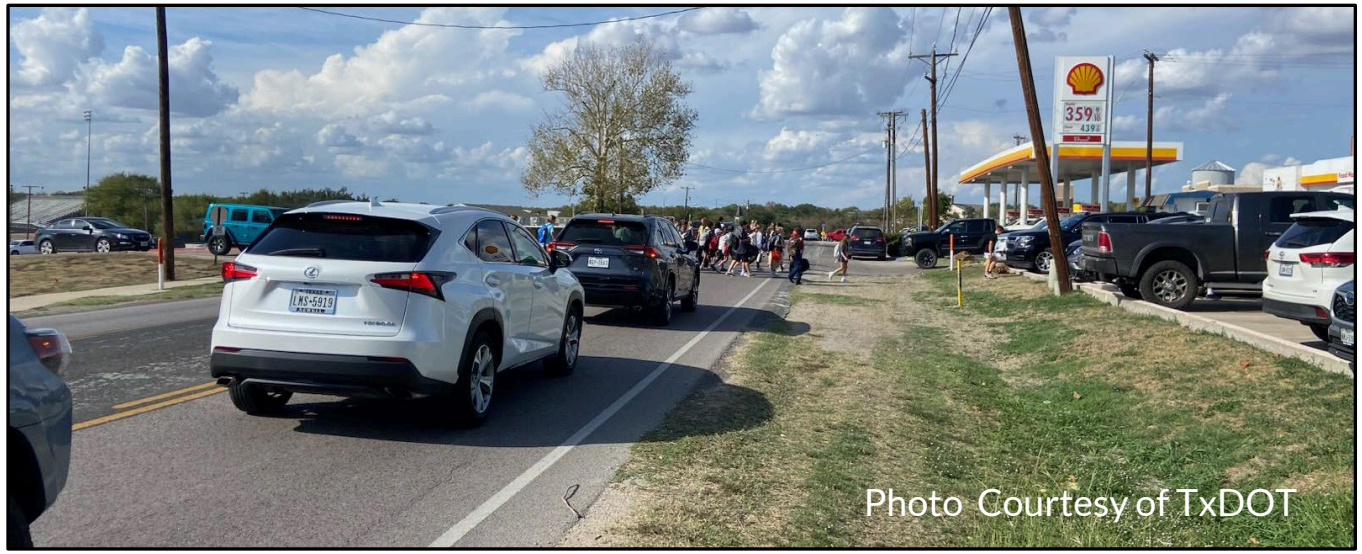
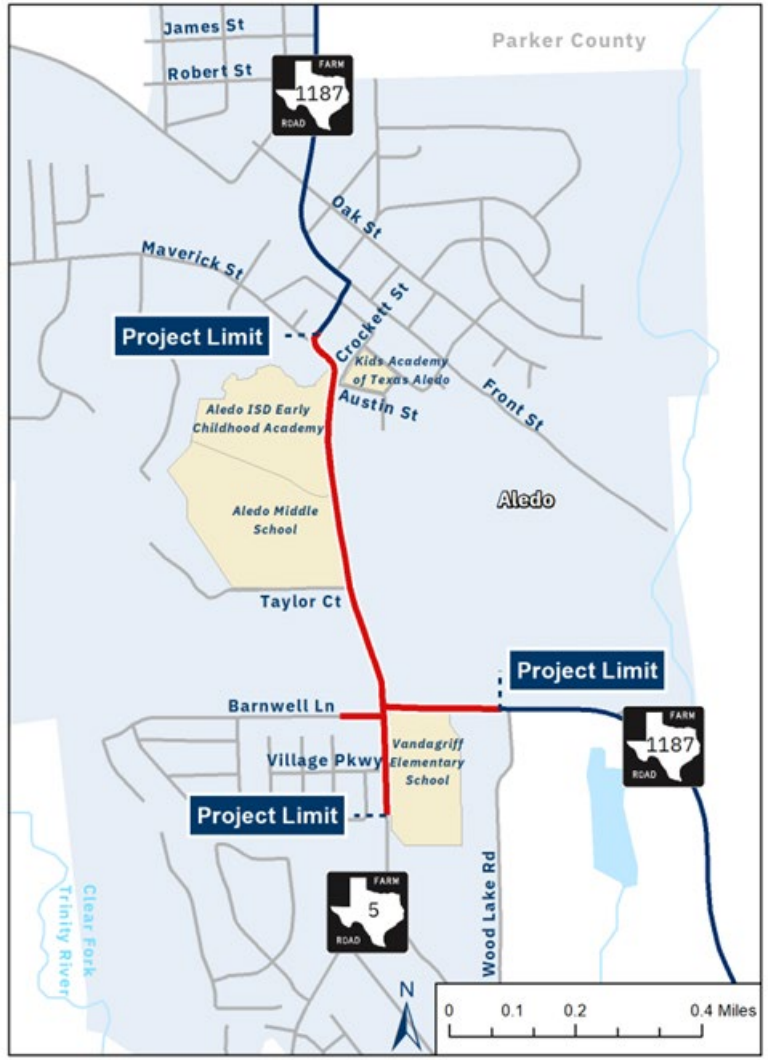


Photo Courtesy of TxDOT

- The project will reconstruct and widen the roadway from 2 to 4 lanes with a center median along with intersection and pedestrian improvements.
- Anticipated to improve safety and reduce congestion along a corridor with schools and associated pedestrian traffic.

PROJECT STATUS

- The Texas Department of Transportation is leading the project.
- Engineering began in FY 2020.
- Environmental clearance is expected later this year.
- Land acquisition will begin shortly thereafter.
- Utility relocation must be completed before the construction can begin.
- TxDOT hopes the project can start construction in 2028, but that date is contingent upon the utilities being moved out of the anticipated roadway location.



Map Courtesy of TxDOT

CITY REQUEST

- City of Aledo has been dealing with larger than expected water utility costs over the last several years and does not have the funding needed to relocate City water and sewer lines in order to accommodate the widened roadway.
- The utility relocation cost is $5,000,000
- RTC staff and the City have pursued multiple avenues to fund the utilities.
    - Utility hardship program with the State (did not qualify)
    - State Infrastructure Bank Loan (City declined)
- Unfortunately, this cost is not eligible for traditional federal funding.
- City asked RTC for other options to help them resolve the roadblock to implementing FM 1187.

PROPOSED LOAN PARTNERSHIP

- Propose that the RTC "Loan" the City of Aledo funding from a non-federal source to allow them to move utilities in order to expedite FM 1187 project
  - $5,000,000 is needed
  - Propose using regional toll revenue funds, which is a non-federal source, eligible for this purpose
- Proposed Terms:
  - 2.4% interest that starts at year 10
  - 20-year payment timeline, principal only payments for first 10 years
  - First payment would start in 2027
  - No prepayment penalty



Photo Courtesy of TxDOT

ANTICIPATED TIMELINE

Meeting/Task	Date
Public Meeting	November 9, 2026
City Council Action	November/December 2026
Surface Transportation Technical Committee (STTC) Action	December 4, 2026
RTC Action	December 10, 2026
Executive Board Action	January 2027
Add to Transportation Improvement Program (TIP)/Statewide TIP (STIP)	January 2027

MUTUALLY BENEFICIAL PROPOSAL

- Removes a roadblock to implementing an important safety and congestion project on FM 1187 in Aledo
- Provides a low-cost borrowing method to aid the City in funding a need and to “right-size” the utilities for the future growth in the area
- Saves inflationary costs on a regional facility that can be implemented faster than would otherwise be possible



CONTACT US

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