



Mobility Financing Task Force

Friday, February 9, 2007

Texas Capitol Extension: Room E1.016

Noon

1. Historical overview of the Department of Transportation's financing programs
2. Follow-up presentation on Department of Transportation financing issues
3. Presentation on traffic and growth modeling
4. Forecasts, opportunities, and challenges of local jurisdictions
5. Next steps

Members:

Senator Kirk Watson, Chair

Mayor John Trube, Vice Chair

Commissioner Gerald Daugherty, Travis County

Commissioner Sarah Eckhardt, Travis County

Commissioner Cynthia Long, Williamson County

Judge Liz Sumter, Hays County

Mayor Pro Tem Betty Dunkerley, City of Austin

Dr. David Ellis, Texas Transportation Institute

Michael Replogle, Transportation Director, Environmental Defense

Greg Marshall, Owner, The Marshall Group

Frank Fernandez, Executive Director, Community Partnership for the Homeless

Future Meetings:

February 23

March 2*

March 12

March 26

All meetings are tentatively scheduled to begin at noon, except for March 2, which is tentatively scheduled to begin at 1 p.m. Locations to be determined.



the new state of transportation

Transportation Funding

February 9, 2007

James M. Bass
Chief Financial Officer



Major Transportation Funds

State Highway Fund (“Fund 6”)

- State fuel taxes, federal reimbursements, vehicle registration fees, local participation
- Also receives payments from CDAs

Texas Mobility Fund

- driver’s license fees, vehicle inspection fees, certificate of title fees
- Created in 2001 and designed to leverage revenues through the issuance of bonds

Texas Mobility Fund

Revenue Sources

Texas Mobility Fund

Major Revenue Sources

Motor Vehicle
Inspection Fees

Driver Record
Information Fee

Driver's License
Fees

Certificate of
Title Fees

Miscellaneous Revenues

United We Stand
License Fees

Commercial
Vehicle Safety Fines

Investment
Earnings and Interest

Surplus Revenues
from RMAs ^(1,2)

Surplus DRP ⁽³⁾
Revenues in Excess
of \$250 million ⁽¹⁾

Texas Mobility Fund Bonds

- **Bonds to be issued capped by amount of revenue dedicated to the fund**
- **No limit on amount to be issued in a FY**
- **Maximum maturity is 30 years**
- **Future revenues forecast by Comptroller must be at least 110% of the debt service before TxDOT can issue debt**

Texas Mobility Fund Bonds

Projected capacity **\$6,200,000,000**

BRB Approval to issue **\$4,000,000,000**

June 2005 **(1,000,000,000)**

June 2006 **(750,000,000)**

October 2006 **(1,040,275,000)**

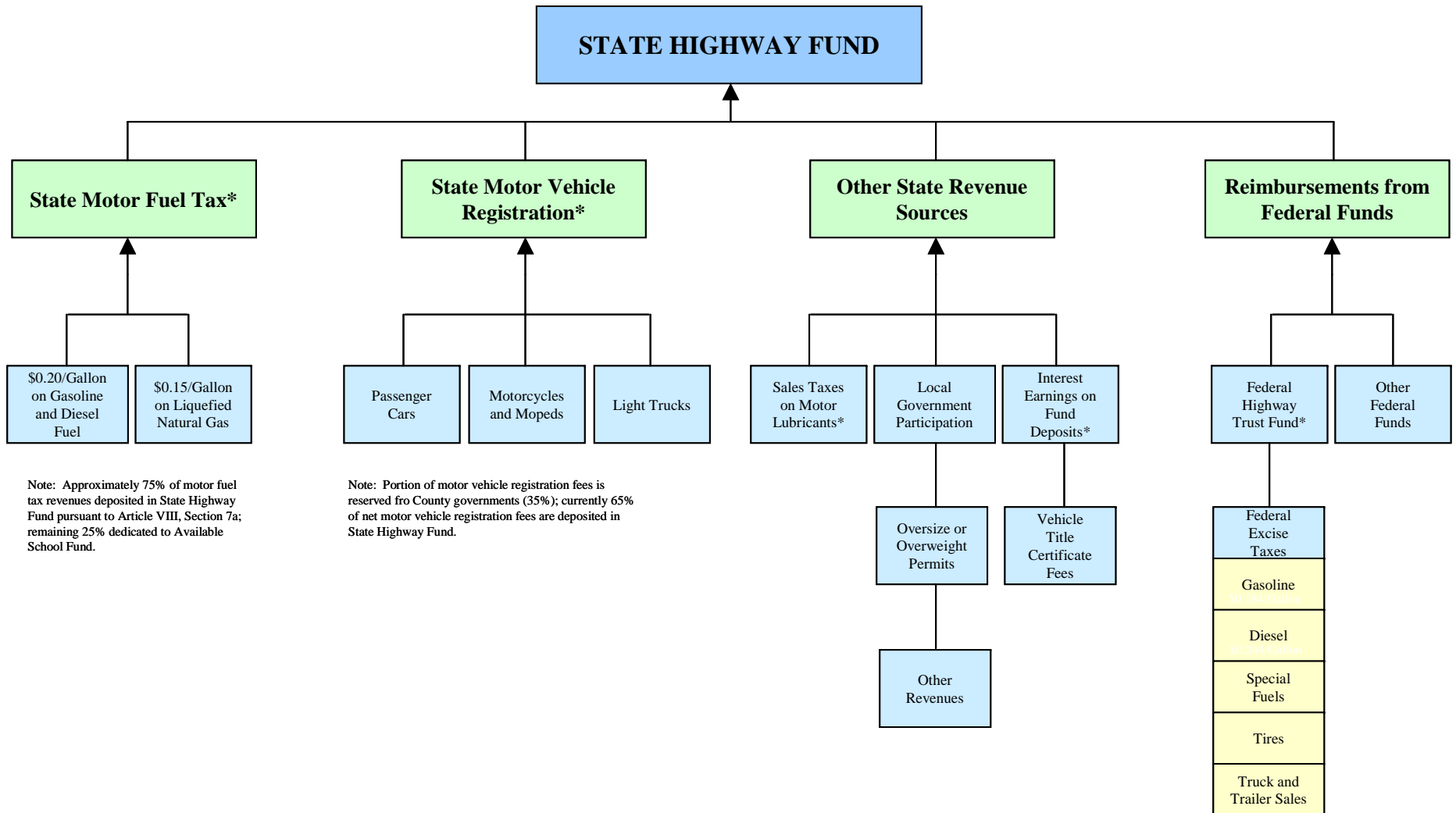
December 2006 **(200,000,000)**

Left to issue under BRB **\$1,009,725,000**

Next planned issue **Summer 2007**

State Highway Fund

Revenue Sources



Note: Approximately 75% of motor fuel tax revenues deposited in State Highway Fund pursuant to Article VIII, Section 7a; remaining 25% dedicated to Available School Fund.

Note: Portion of motor vehicle registration fees is reserved for County governments (35%); currently 65% of net motor vehicle registration fees are deposited in State Highway Fund.

*Constitutionally dedicated

State Highway Fund Revenue Bonds

- **Capped at \$3 Billion lifetime issuance**
- **At least \$600 Million to be used for safety projects**
- **No more than \$1 billion issued in any FY**
- **Maximum term for bonds is 20 years**
- **Projected debt service can be no more than 10% of revenue**

State Highway Fund Revenue Bonds

Statutory capacity	\$3,000,000,000
May 2005	(630,676,625)
November 2006	<u>(999,712,950)</u>
Left to issue	\$1,369,610,425

Next planned issue September 2007

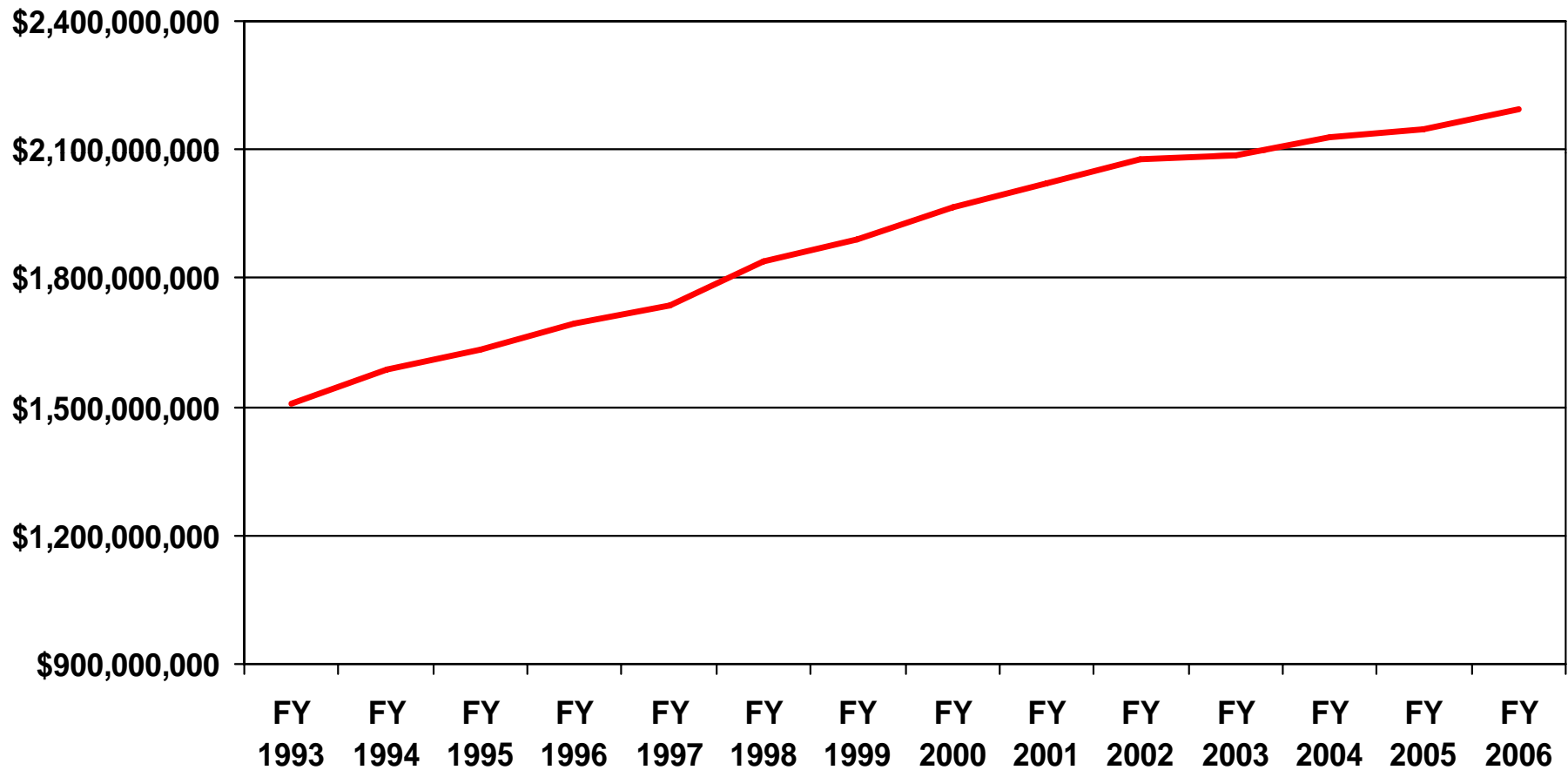
State Highway Fund Revenue Bonds

Future Annual Debt Service

2007	\$118 Million
2008	\$193 Million
2009-2024	\$223 Million
2025	\$192 Million
2026	\$154 Million
2027	\$107 Million
2028	\$ 30 Million

State Motor Fuel Tax Deposits

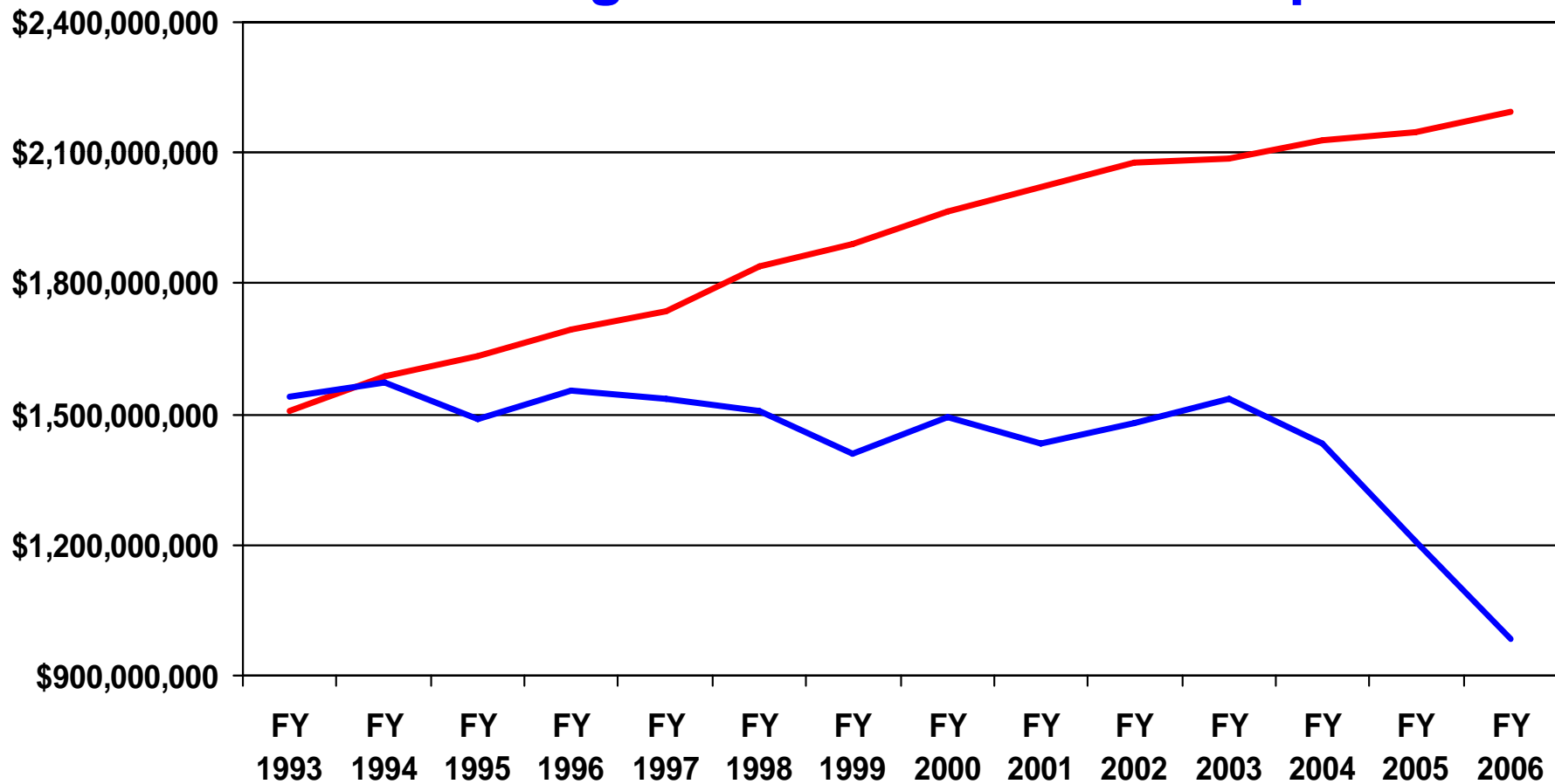
Gross State MFT Deposits



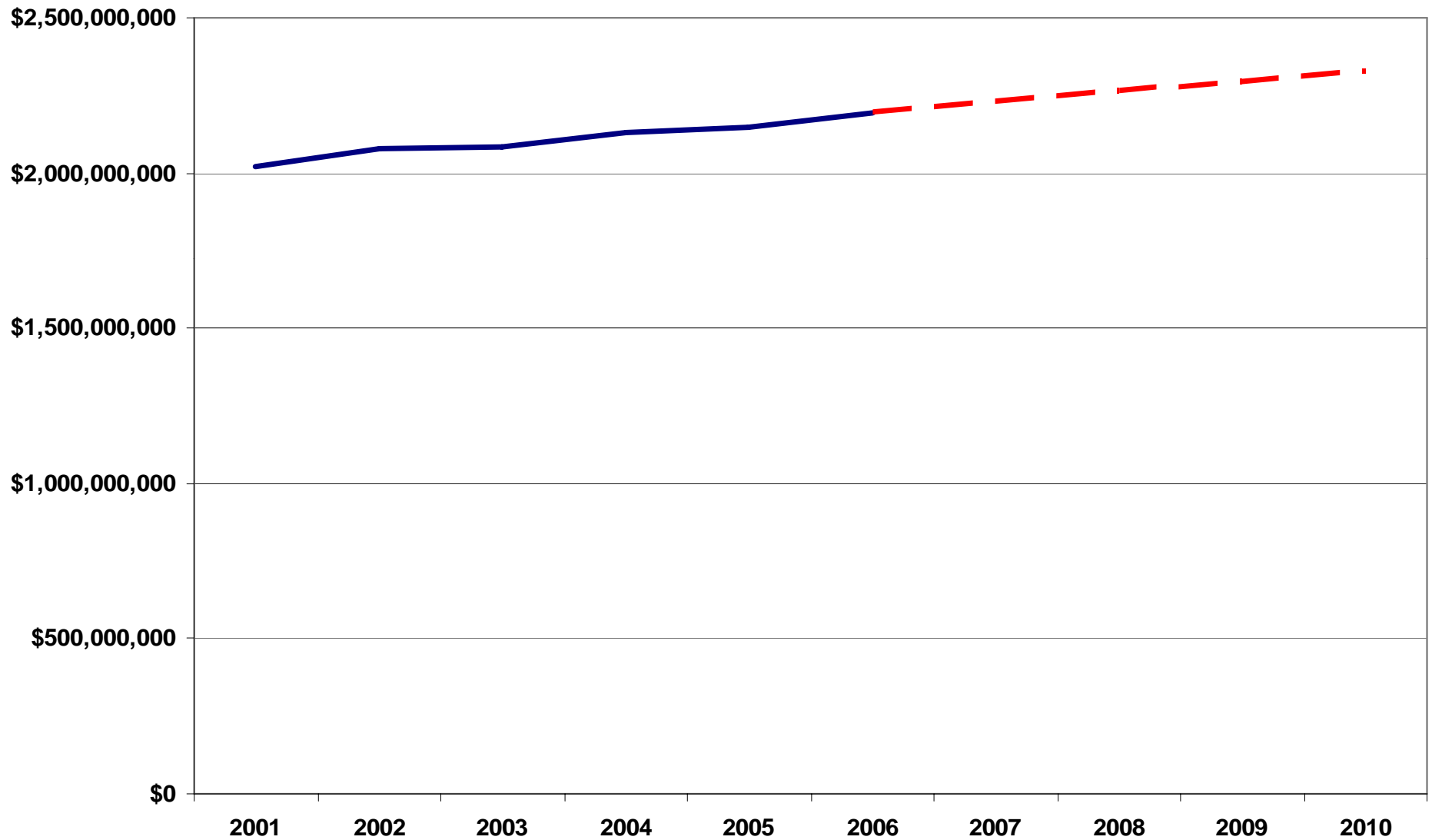
State Motor Fuel Tax Deposits

Gross State MFT Deposits

Purchasing Power of State MFT Deposits

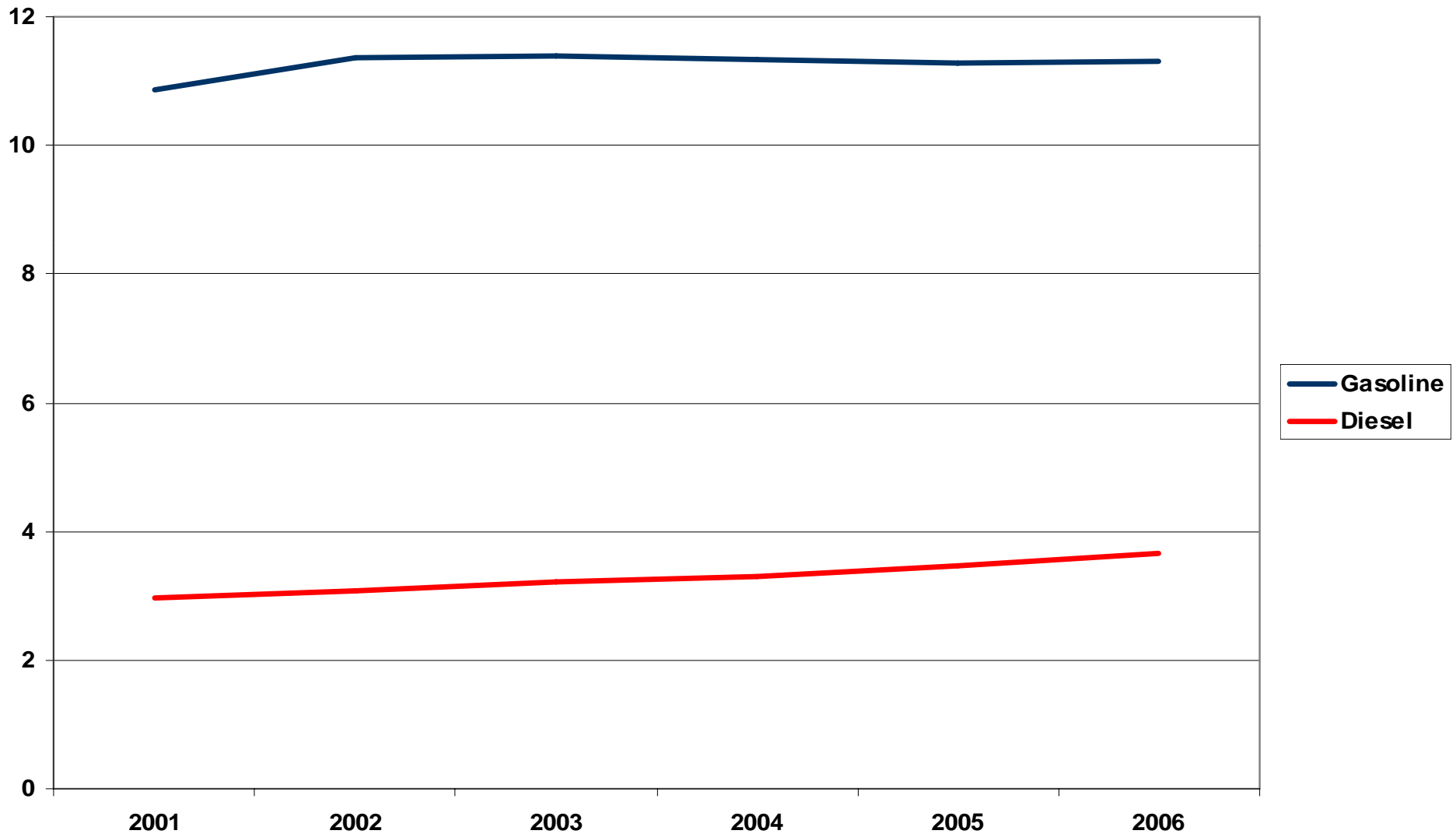


State Motor Fuel Tax Deposits

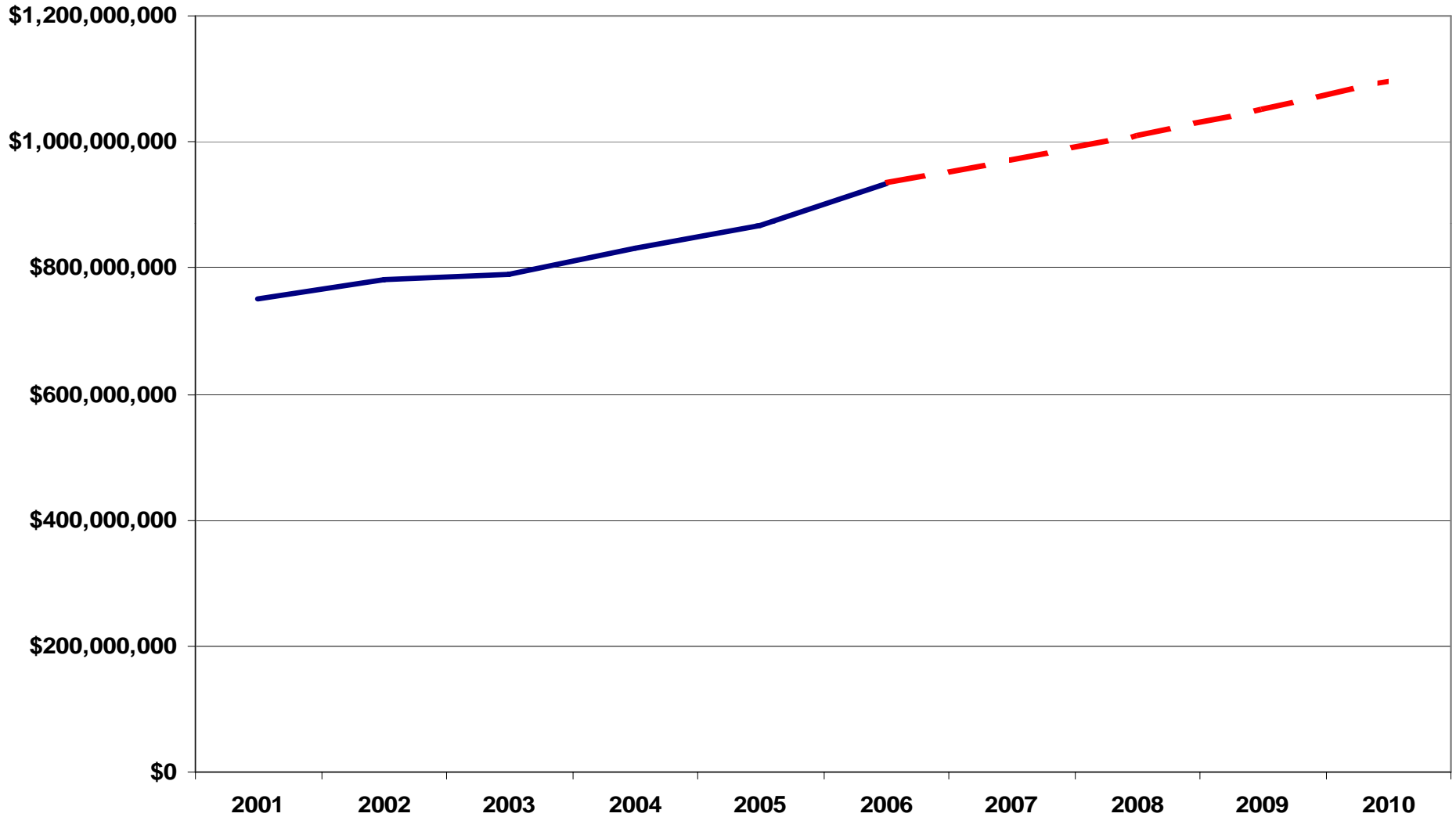


Taxable Gallons Sold

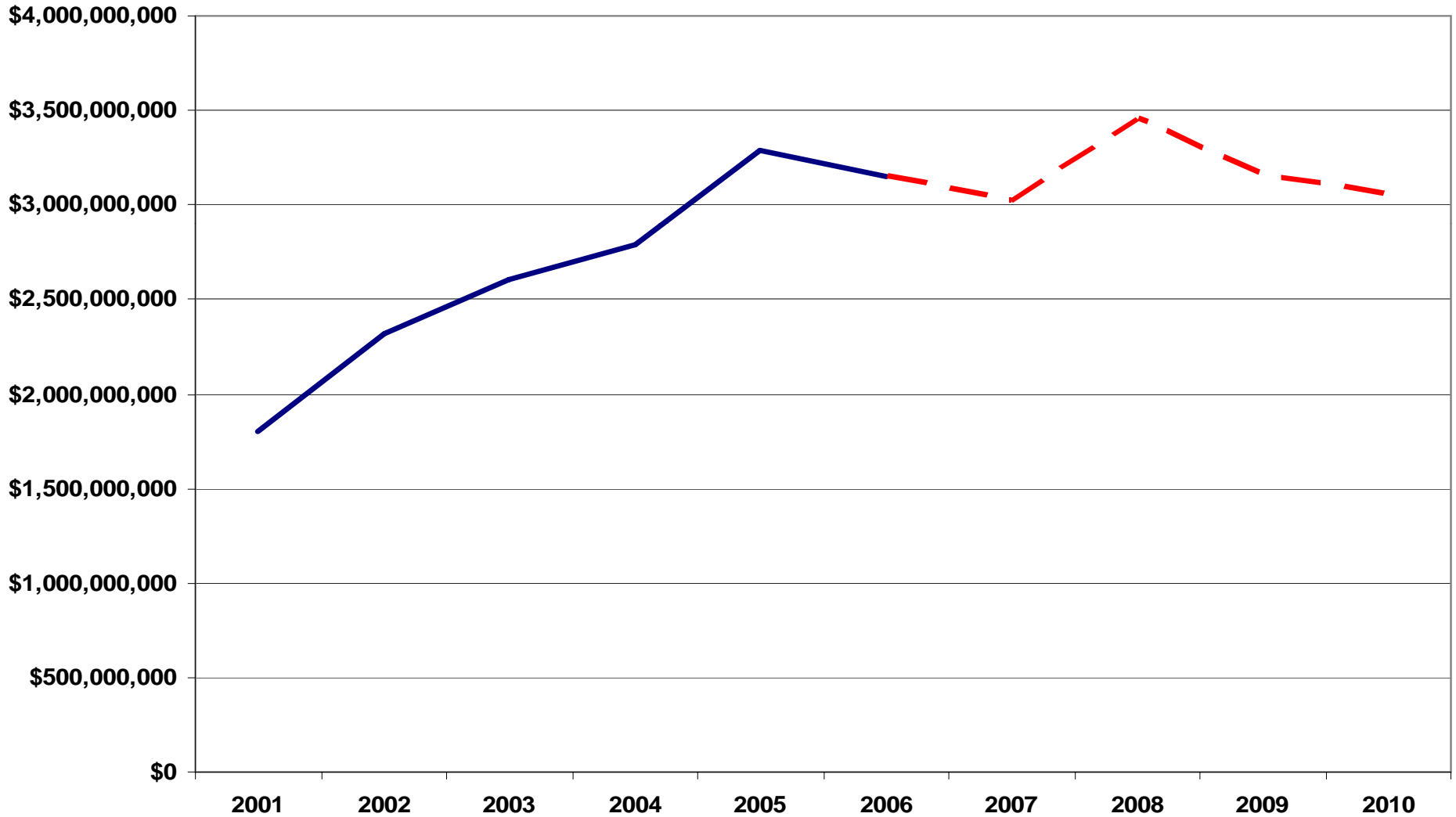
(in billions)



State Vehicle Registration Fee Deposits

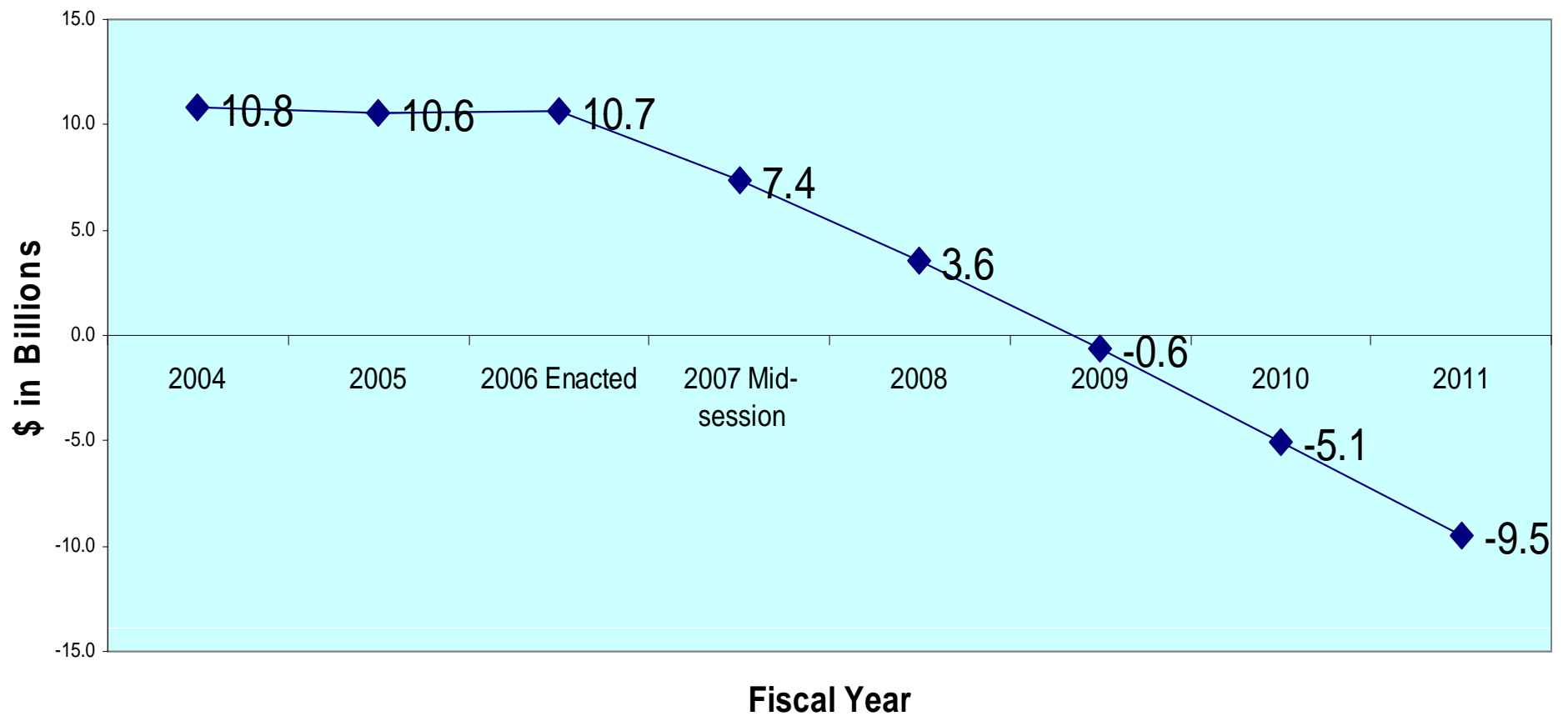


Federal Reimbursements

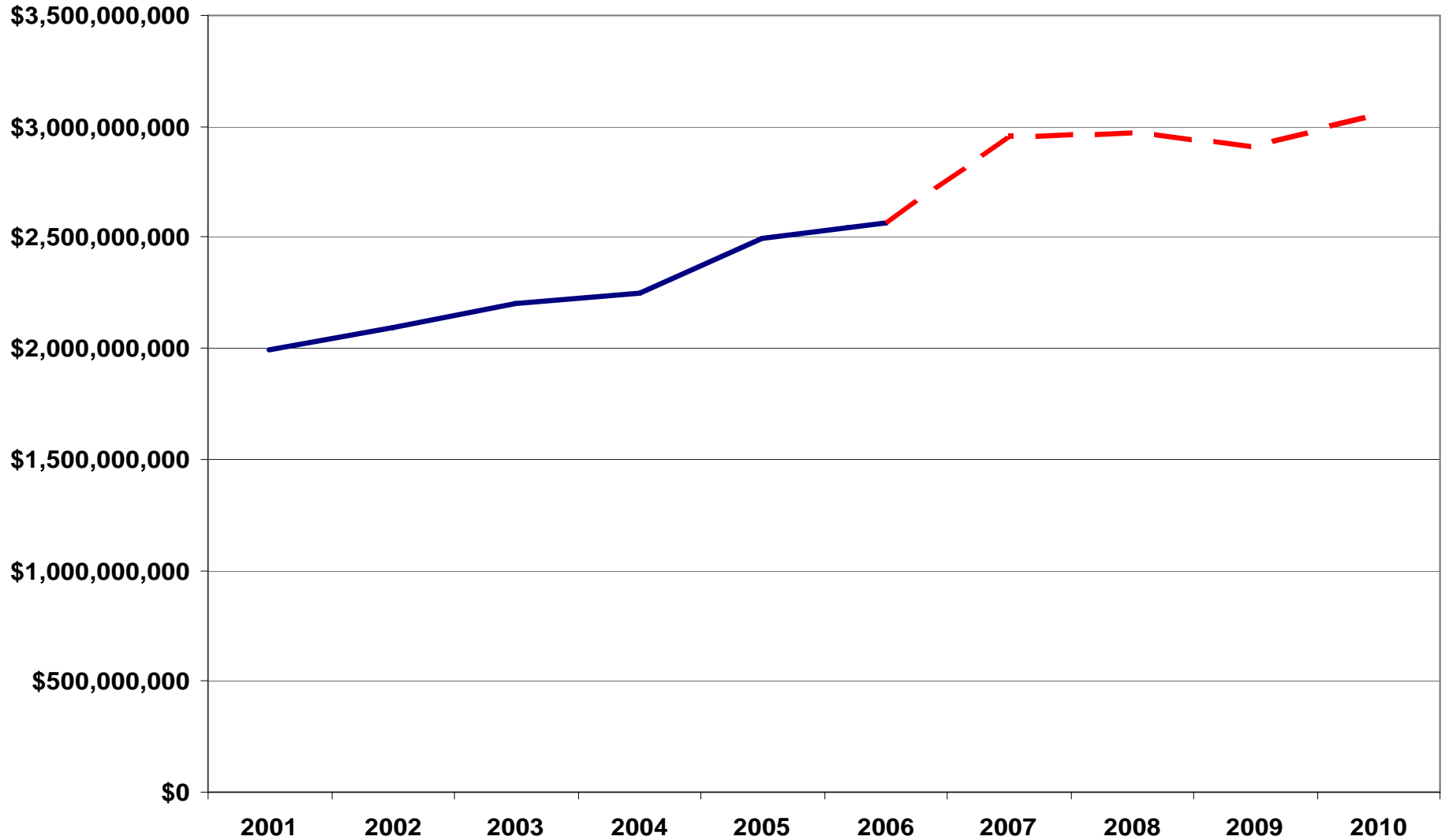


Federal Hwy Trust Fund

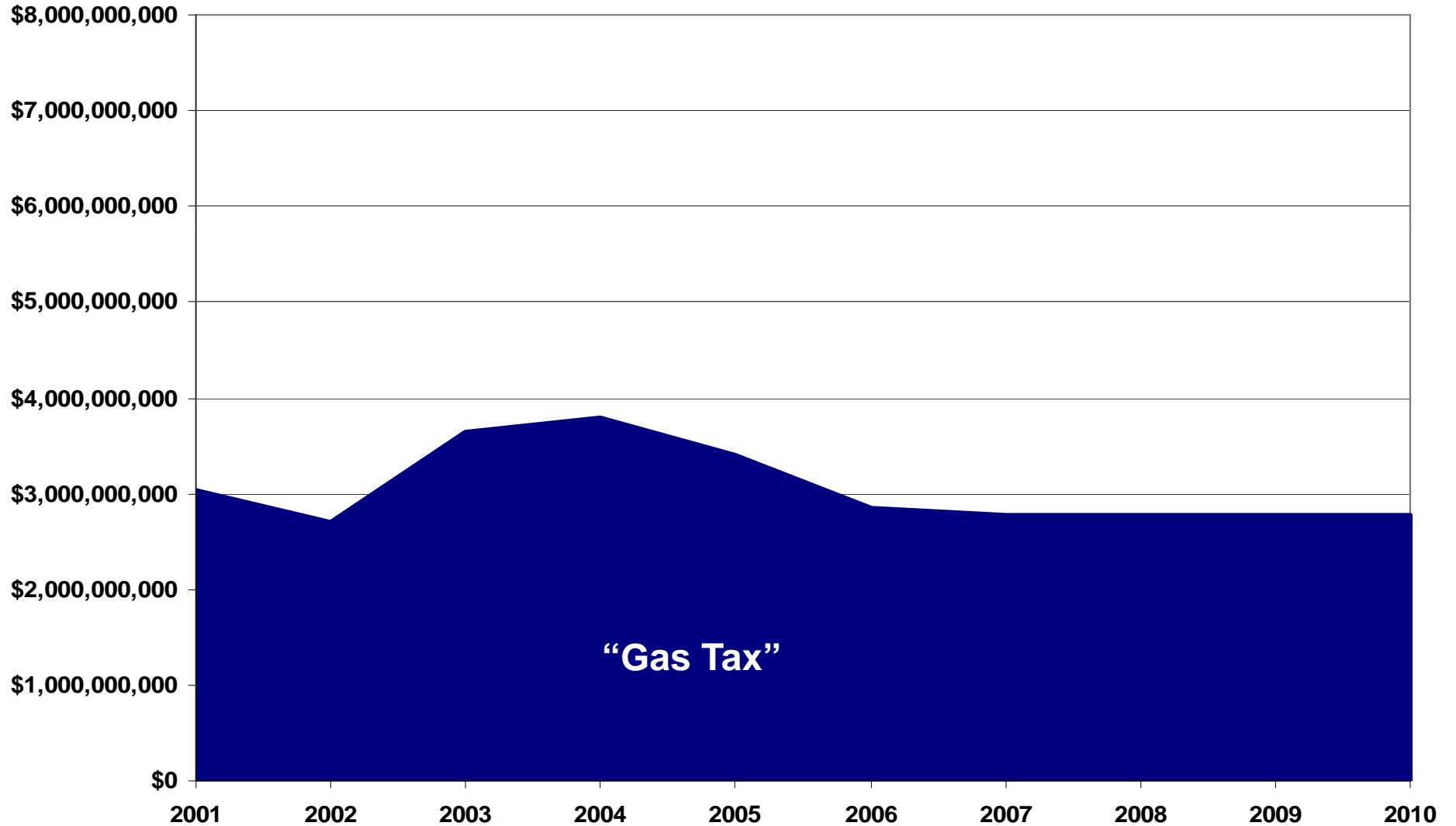
Highway Account of the Highway Trust Fund
Cash Balance



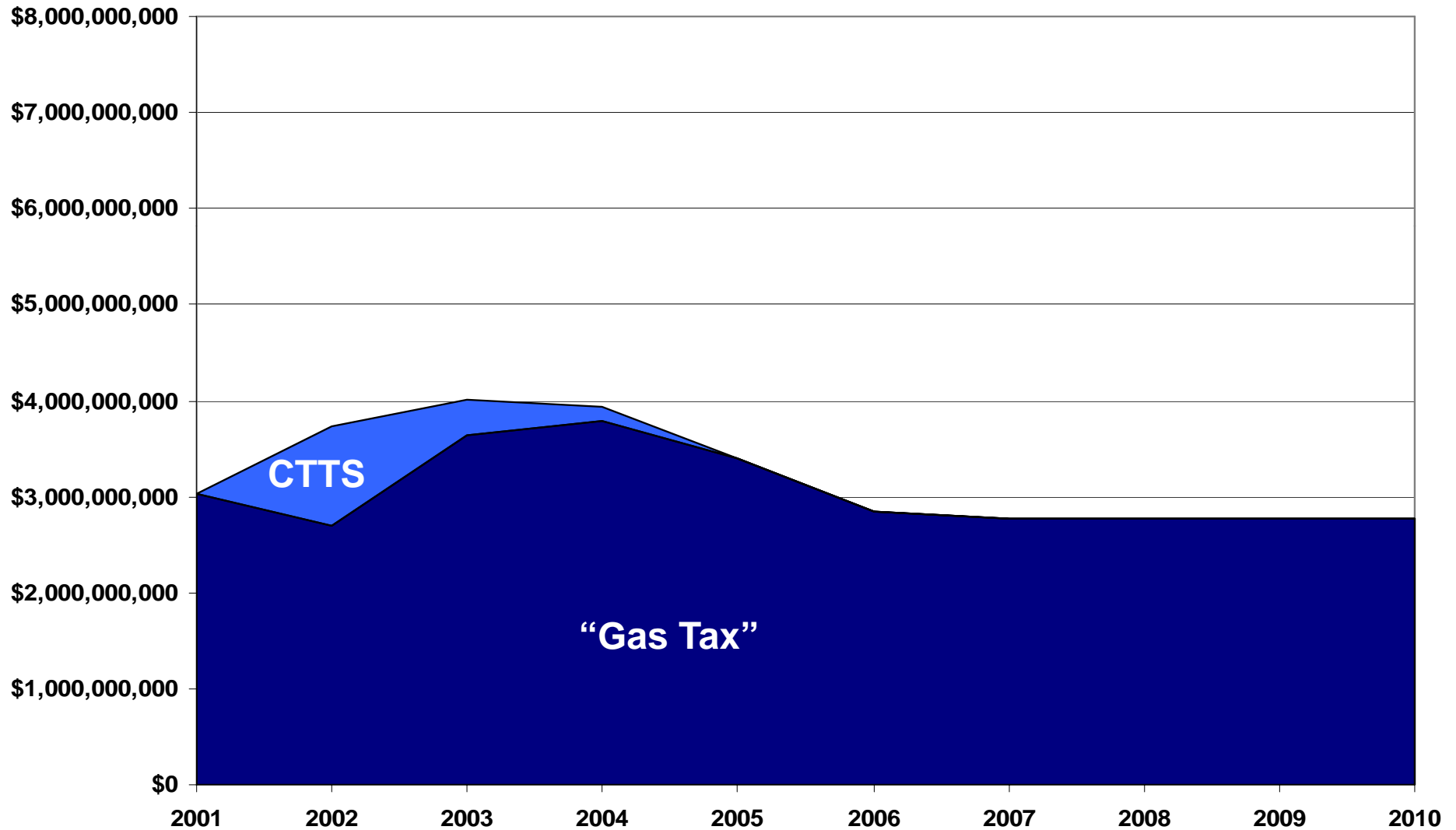
Maintenance Expenses



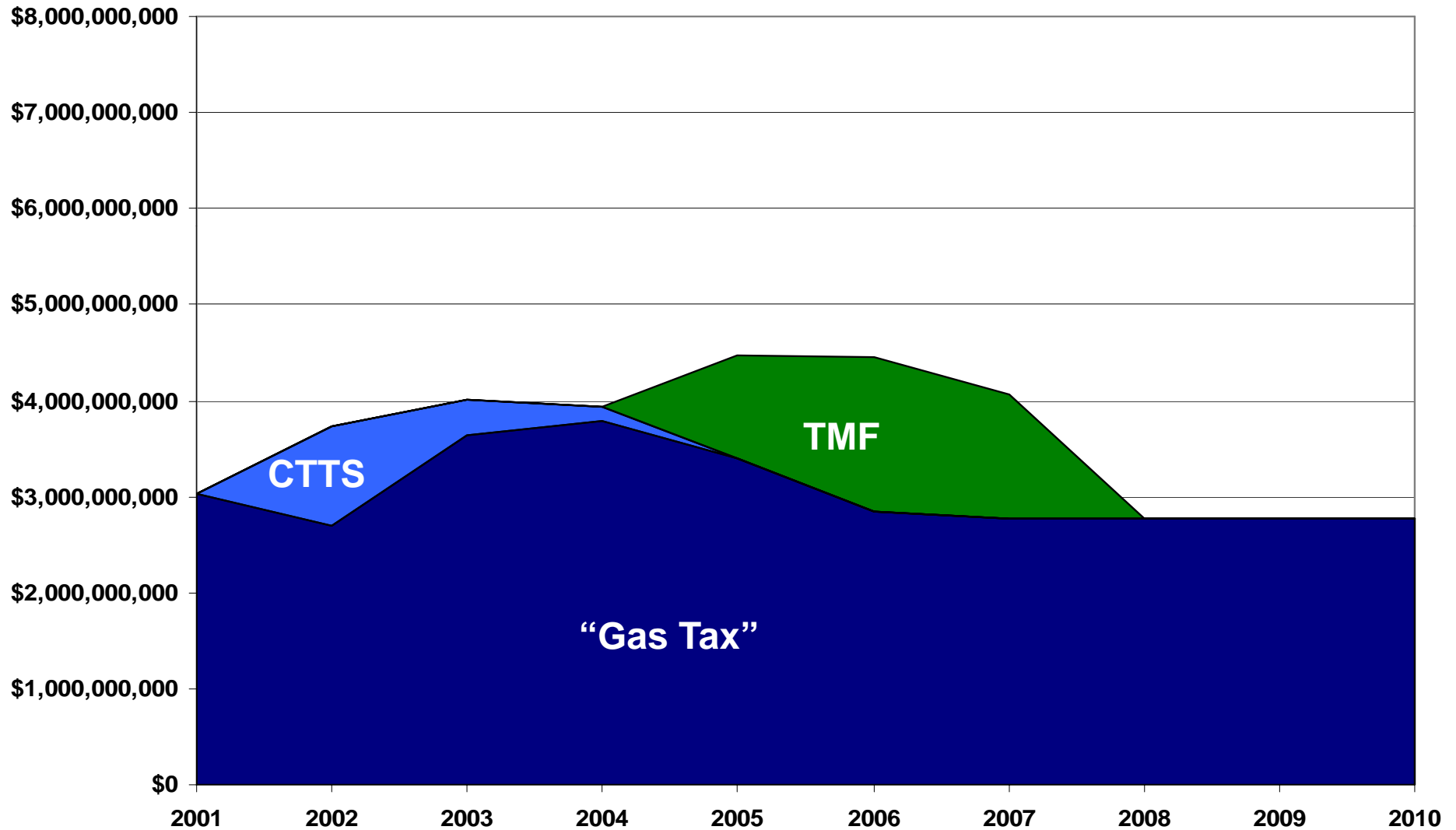
Highway Contract Awards



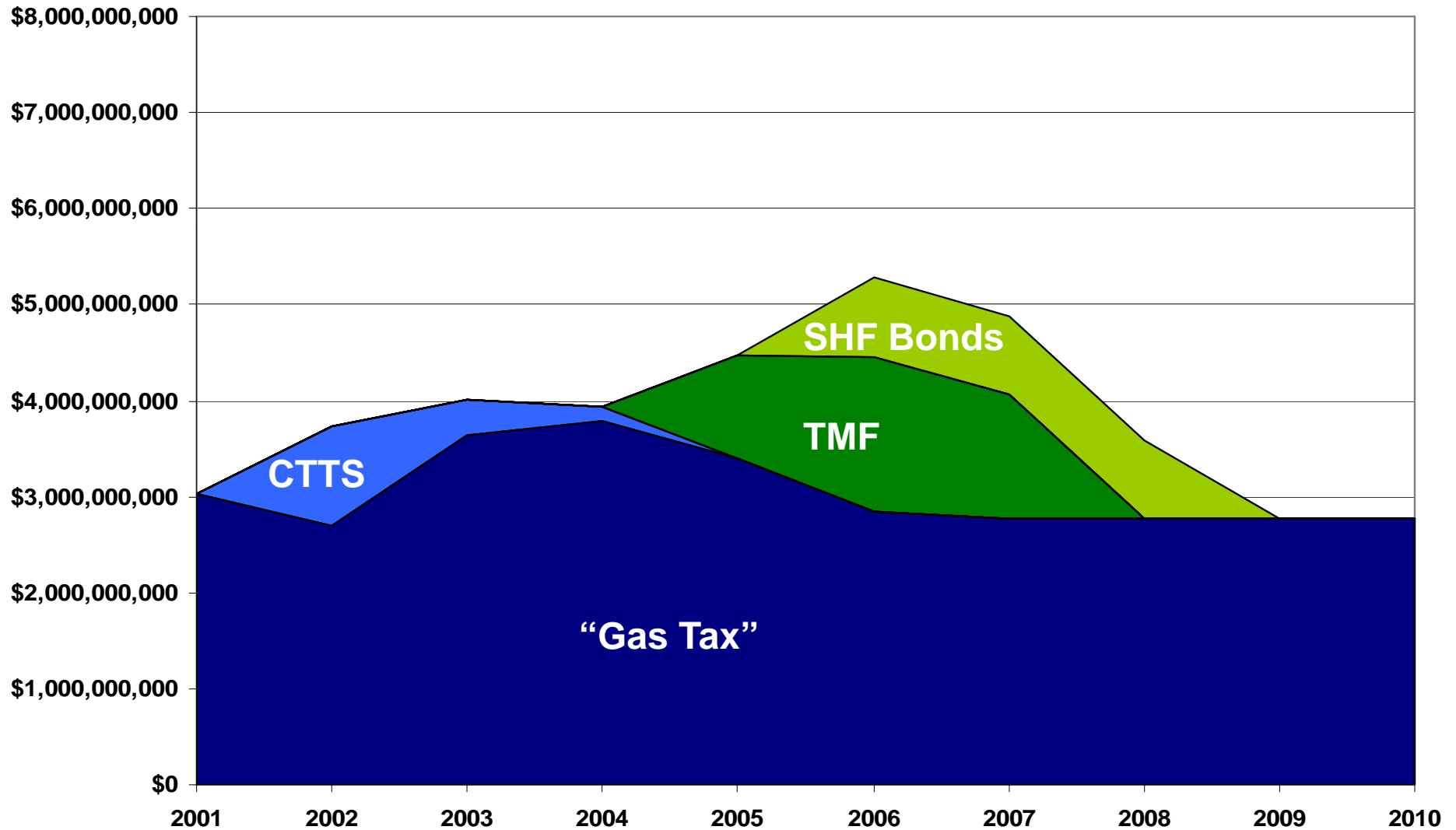
Highway Contract Awards



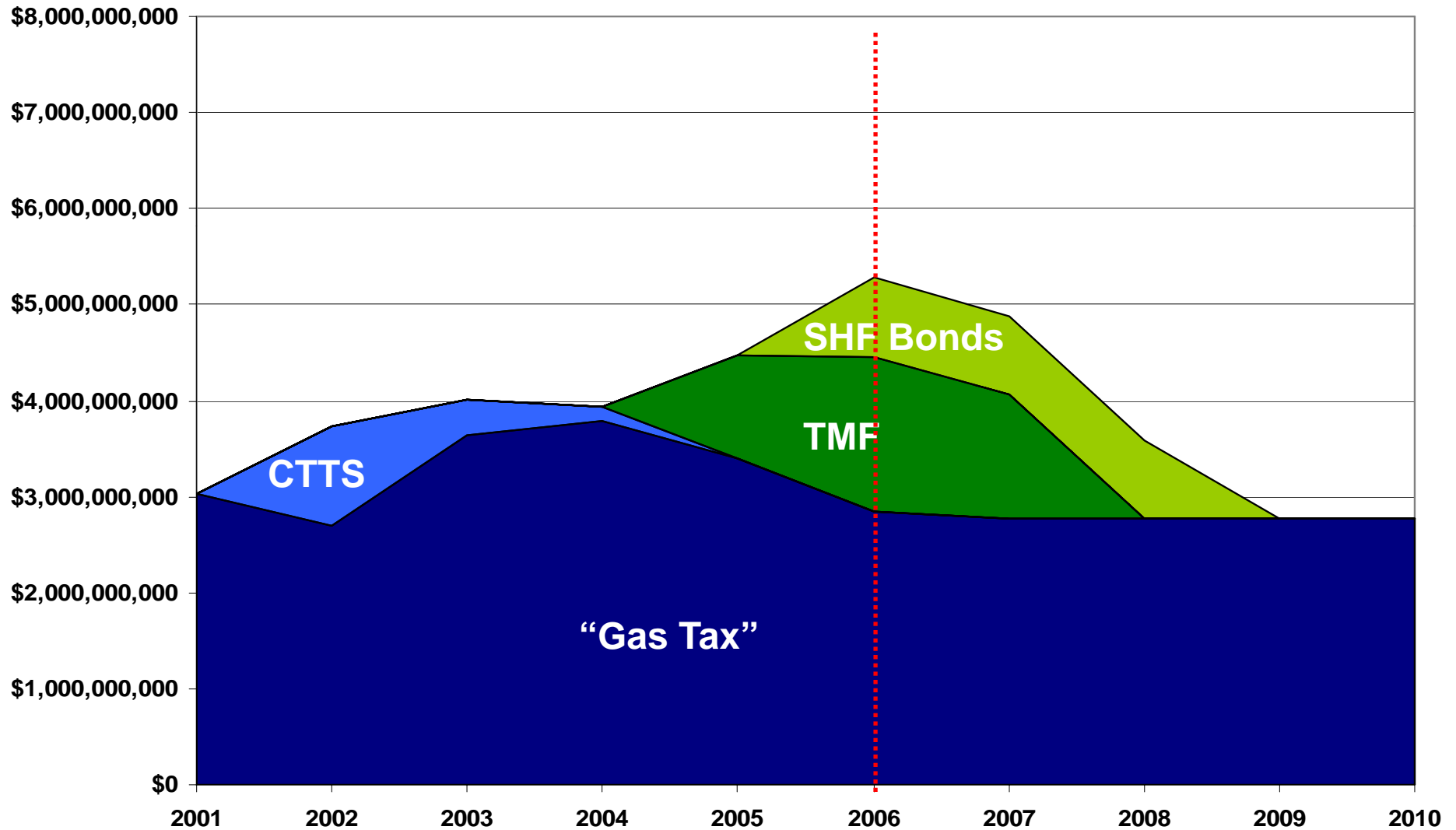
Highway Contract Awards



Highway Contract Awards



Highway Contract Awards



Travis County

Mobility and County Finance

Mobility Finance Task Force

February 9, 2007

Regional Transportation System- (The Role of County Government in Mobility)

- Functional Classification**
- Jurisdiction Responsibility**
- Who Pays**

Region's Functional Classification Hierarchy

TXDoT Responsibility-

Funding Sources: Motor Fuel Tax, Vehicle Registration Fees, Tolls

Freeway (IH 35)- Through vehicle traffic traveling at high speeds, controlled access, grade separated, frontage roads

Parkway (Loop 1)- Through vehicle traffic traveling at high speeds, controlled access, grade separated, no frontage roads

Expressway- Through vehicle access at moderate speeds, limited access to adjacent development, widely spaced at grade signalized intersections

TXDoT Responsibility-

Funding Sources: Motor Fuel Tax, Vehicle Registration Fees, Pass Through Financing

Major/Minor Arterials (FM, RM roads)- Through vehicle traffic at lower speeds, high volumes, provide access to adjacent development and local road system

Local Jurisdiction Responsibility-

Funding Sources: Property Tax, Voter Approved Bonds, Certificates of Obligation, Road Districts, Private Development

Major/Minor Arterials (Slaughter Lane, Wells Branch Pkwy.)- Through vehicle traffic at lower speeds, high volumes, provide access to adjacent development and local road system

Private Development Responsibility-

Funding Sources: Private development passed on to homebuyers through increased home cost

Collector Street (Bratton Lane, Barton Creek Blvd.)- Intercepts local street traffic and expedites movement to arterial or other collector street, restricted driveway access

Local Street (neighborhood streets)- Serves abutting land uses and traffic within a neighborhood, driveway access

- CAMPO has no role in the planning, or funding of collector or local street system. Local governments help plan and approve network through platting of subdivisions.**

County Transportation Funding Sources

- **Road & Bridge Fund (derived from license plate fees (60%) and vehicle sales tax (40%))**
- **Bond Funds (reimbursed by property tax) (voter approved) (generally used for capital improvement funding)**
- **Certificates of Obligation (reimbursed by property tax) (not voter approved) (short term debt funding)**
- **Federal/State Transportation Grants (STP-MM, Transportation Enhancement Program, Bridge Replacement funds)**
- **Build Central Texas Funds (Capital Metro Transit) (averages \$500,000 yearly for Cap Metro Service Area)**
- **County Road Districts and Public Improvement Districts (funds derived from property tax within the district for improvements in that district)**

Transportation Authority and Role of County

- **Must have explicit authority from State**
 - Created CTRMA (2003)
- **Authority specific to road-related facilities**
 - Roads
 - Road-related Drainage
 - Road-related Sidewalks/Trails
 - Parkland-related Trails
 - No Mass Transit Authority

Transportation Role of County

- **Since 1984, upgrades and adds capacity to existing county roads changing them to arterial roadways**
- **Maintains 1,200 miles of county roadway (mostly rural) within the unincorporated area**
- **Replaces substandard bridges**
- **Since 1980, reviews and approves construction of streets, including all roads within private subdivisions within the unincorporated area**

Transportation Role of County (cont.)

- **Acquires right-of-way for selected state highway projects, especially farm-to-market roads**
- **Plans and constructs trails, bicycle lanes and sidewalks**
- **Installs and maintains traffic control devices, like signals, signs and striping**

Financial Base and Philosophy

- **County Debt Policy**

- Dependent on property tax, no user fees
- Court will not issue long term (repayment longer than 5-years) without voter approval
- Working to reduce reliance on short term debt
- No debt to exceed 20 years

Debt issuance ratios:

- Net bonded debt to taxable value should not exceed the range of 1.0%-1.5%
- Net bonded debt to population should not exceed \$500 per capita
- Debt service to total expenditures shall be approx. 20% or less
- Total debt target of 5% of market value for all overlapping debt in Travis County

Financial Base and Philosophy

- **Current County Debt ('07)**

2001 Bond Authorization	\$19,900,000
2005 Bond Authorization	\$36,830,000
Long term debt (jail)	\$14,330,000
<u>Short Term Debt</u>	<u>\$12,375,000</u>
Total	\$83,435,000

- **Previous Transportation Bond Funding Amounts**

1984 Bond Authorization	\$164,704,000
1997 Bond Authorization	\$43,540,000
2000 Bond Authorization	\$28,000,000
2001 Bond Authorization*	\$151,590,000
<u>2005 Bond Authorization</u>	<u>\$59,300,000</u>
Total	\$447,134,000

*Includes \$100 Million for right-of-way

- **Next Anticipated Bond Election in '09**

Financial Base and Philosophy

- **Philosophy on Transportation Funding**
 - Preference is for user-based tax vs. general property tax
 - Property tax base includes incorporated area, cities annex transportation projects after completion
 - First responsibility is to upgrade existing arterials vs. new locations
 - Just in-time infrastructure investments
 - 12 Year Return on Investment

Financial Base and Philosophy

- **Growth Policy: Growth Should Pay For Itself**
 - **Rough Proportionality Policy**
 - **Developers pay proportional share of cost of future transportation system**
 - **Proportionate share is defined as the total number of vehicle miles of travel generated by subdivision divided by the CAMPO forecasted increment of total vehicle miles of travel within the quadrant of the county where the private properties are located, multiplied by the total cost of the planned, added arterial capacity within the quadrant.**

Infrastructure Cost and Factors Influencing Transportation Project Budgets and Implementation

- **Increasing Public Improvement Costs:**
 - Cost for new 2-lane arterial (rural section) \$1.8 million/mile
 - Cost for upgrading 2 to 4-lane arterial \$5.7 million/mile
 - CAMPO cost estimated 2030 Plan using \$1 million/lane mile
- **Factors Influencing Arterial Construction Cost:**
 - International Markets for Construction materials
 - China effect
 - Oil prices
 - Local markets for land, labor, equipment, construction materials
 - SH 130 effect
 - Right-of-Way Acquisition Process
 - Utility Relocations

Cost Influences (cont.)

- CAMPO Plan 2030 Cost Estimate for Arterials (2003 \$'s)**

State System	\$ 8,748 million
Other Arterials*	\$ 2,881 million
CAMPO 2030 Total	\$11,629 million

*Travis County portion \$1,100 million

- Since 1984, Travis County has funded \$461.3 million of transportation related projects
- \$136 million allocated for right-of-way purchase to State Highway system (SH 130, Loop 1, SH 45 N, etc.)

Cost Influences (cont.)

- CAMPO Plan 2030 Travis County Funding Gap**

2030 Unincorporated Arterial System (Travis)	\$1,100 million
2005 Bond Funded	\$ 59 million
<u>Estimated 6 Bond elections (\$70 million/bond)</u>	<u>\$420 million</u>
2030 Shortfall in Unincorporated Travis	\$621 million

- Assumes all of CAMPO Plan is to be complete by 2030
- Assumes private development costs will make up difference
- CAMPO cost estimated using \$1 million/lane mile
- Assumes Debt capacity remains constant

How Are Mobility Projects Identified? (Need Determination)

- **Identified in Travis County's Long Range Transportation Plan (CAMPO's Mobility 2030 Plan)**
- **Transportation Modeling Results**
- **Localized Plans/Studies**
- **Neighborhood Meetings/Requests**
- **Actions/Requests by Another Jurisdiction/Agency**
- **Constituent Request**
- **Joint Project Discussions with Private Sector**

County Threshold and Prioritization Criteria for Determining Road Projects

- **Each Project must meet Threshold Criteria before being considered a Candidate Project**
 - Is there a Legal Obligation to complete?
 - Is project an arterial identified in the CAMPO Plan or collector?
 - If identified as Public/Private project or is not an existing County road, project must have a signed letter of commitment from private sector
 - 1/2 cost of design and construction and donation of all right-of-way

Candidate Mobility and Right-of-Way Acquisition Projects

- **After Meeting Threshold Criteria, Projects are Eligible to be Prioritized**
 - **Four Prioritization Criteria Developed to Evaluate Need**
 - **Project Readiness- (Work already completed)**
 - **Existing Need- (Existing Vol./Cap.)**
 - **Future Need- (Future Vol./Existing Cap.)**
 - **Cost Effectiveness- (Cost per mile/Increase in Vol.)**

Public Private Partnership Criteria

Purpose:

- Improve mobility while shifting cost of transportation system away from tax payer to private development.
- Joint funding allows County to stretch funding and increases magnitude of project
- Mobility projects unable to be completed by only private funding can be realized in a shorter period with the use of public cost sharing.

Process:

- Project is a new road segment, must be viable
- County enters into agreement where developer provides all right-of-way, and $\frac{1}{2}$ cost of engineering and construction
- County provides $\frac{1}{2}$ cost of engineering and construction

County Mobility Projects (Bond Funding) 1984-2005

<u>Project Type</u>	<u>No.</u>	<u>Amount</u>
Right-of-Way (Hwys.)	10	\$136,000,000
Roads	120	\$300,700,000
Bridges	45	\$16,000,000
Sidewalks	NA	\$1,700,000
<u>Drainage</u>	6	<u>\$7,000,000</u>
County Total ('84-'05):		\$461,400,000

•See Handout for Project listing