

# **COMPREHENSIVE DEVELOPMENT AGREEMENTS:**

## **End Ping-Pong Policy Development and Focus on the Customer**

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North Central Texas Council of Governments

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# RECOMMENDATION

Permit Regional System Approach

Absent Consensus: State Rule

Please Consider:

Multiple toll agencies in the same region is not good

Partnership over Primacy

Primacy Assumes Toll agency, Region and State have similar outcomes

Build non-Toll Projects

Eliminate Stovepipes

Remember Goods Movement and Passenger Rail

# IDENTIFIED FUNDING NEEDS DALLAS-FORT WORTH REGION

(Updated based on Mobility 2030 Funding Levels)

Metropolitan Transportation System Components	Funded Needs (Billions/2006 \$)	Unfunded Needs (Billions/2006 \$)
Operation & Maintenance	\$18.7	
Congestion Mitigation Strategies	\$2.1	
Bicycle & Pedestrian Facilities and Transportation Enhancements	\$1.1	
Rail and Bus Transit System	\$11.0 <sup>1</sup>	
HOV and Managed Facilities	\$3.3	
Freeway and Toll Road System	\$26.4	<b>\$12.7<sup>2</sup></b>
Regional Arterial and Local Thoroughfare System	\$5.7	\$6.0
Additional Cost to Purchase Right-of-Way		\$1.1
Rehabilitation Costs	\$ 2.6	<b>\$32.1</b>
Goods Movement/Rail Freight Costs (Trans Tx Corridor)		\$6.7
<b>TOTAL</b>	<b>\$70.9 (55 %)</b>	<b>\$58.6 (45 %)</b>
	<b>\$129.5 Billion</b>	

<sup>1</sup> \$3.4 billion obtained through Regional Transit Initiative

<sup>2</sup> Includes Freeway-to-Freeway Interchanges

*Revised: February 28, 2007*

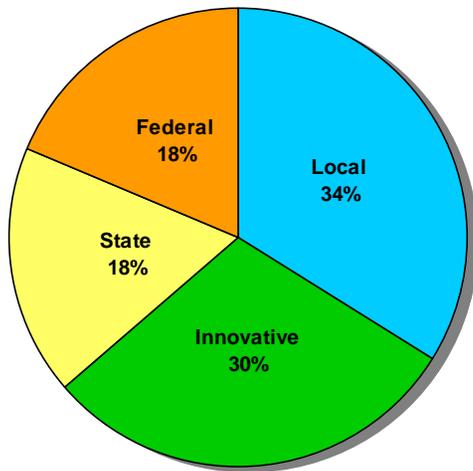
# Solutions

## Innovative Finance

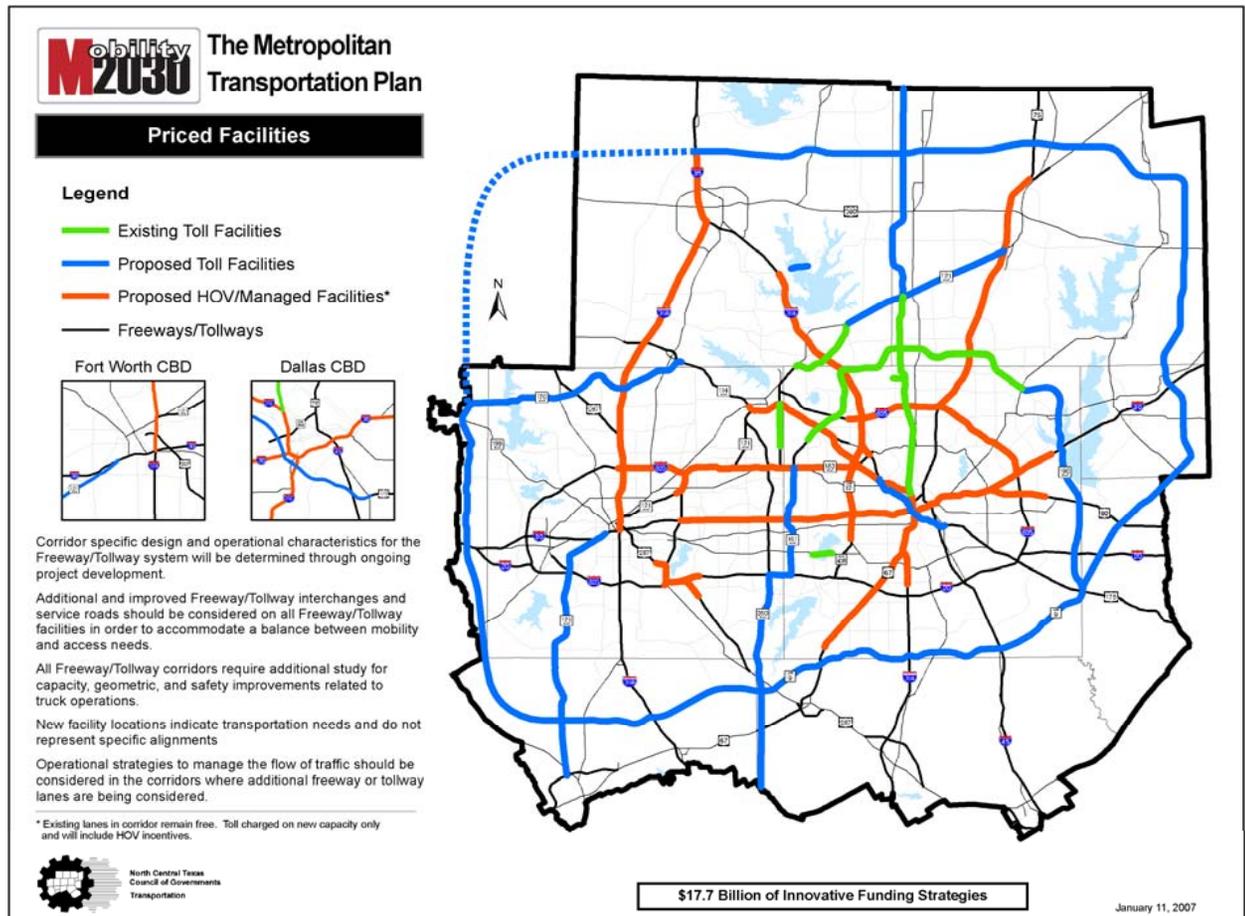
Innovative Finance is an alternative way to fund transportation projects

- Tollroads
- HOV/Managed Lanes
- Public-Private Partnerships
- Comprehensive Development Agreements

### Mobility 2030 Funding



*The DFW region relies heavily on revenue from innovative finance*



# USE OF EXCESS TOLL REVENUES – S.H. 121

## Public Sector Credit Union Bank

Initial private sector concession offer

Public sector comparator

NTTA determined to be best value – selected as developer

NTTA to provide \$3.3 billion

- \$2.5 billion “upfront” payment
- \$700 million excess revenue payment in lieu of annual lease payments

Upfront payment to be programmed in the short-term

Excess revenue held in Public Sector Credit Union Bank

# REGIONAL TOLL REVENUE ALLOCATION

**\$ Millions**

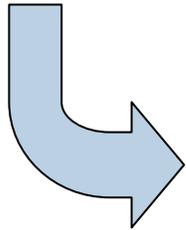
Recommended RTR Projects (By Project Type)	
Roadways	\$2,287.72
On System Roadways (\$1,960.51)	
Off System Roadways (\$ 327.21)	
Bicycle/Pedestrian	\$17.45
Transit	\$356.85
Grade Separations	\$28.81
Intersections	\$38.96
Intelligent Transportation Systems	\$9.62
Park-and-Rides	\$9.80
Traffic Signals	\$1.51
<b>Subtotal</b>	<b>\$2,750.71</b>

Set Asides, Special Projects, and Reserve Pools	
Sustainable Development Program	\$40.00
New Boundary Counties	\$25.00
County Reserve Pools	\$12.15
Local Contribution Credits	\$53.38
Contingencies	\$315.86
<b>Subtotal</b>	<b>\$446.39</b>

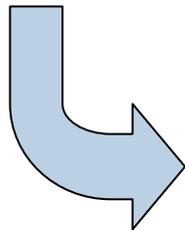
<b>Recommended RTR Projects Subtotal</b>	<b>\$2,750.71</b>
<b>Set Asides, Special Projects, and Reserve Pools Subtotal</b>	<b>\$446.39</b>
<b>TOTAL FUNDING</b>	<b>\$3,197.10</b>

# NEW INNOVATIVE PARTNERSHIP

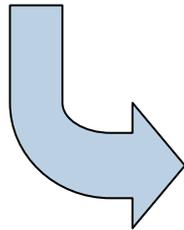
State Highway 121  
Concession Payment



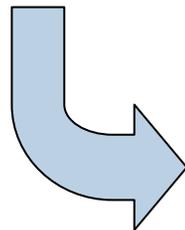
\$80 million loan for rail  
relocation project



Gas tax funding allocated to SH  
114/FM 156 (no throwaway projects)



Alliance Airport runway  
extension able to proceed



FAA to repay investment  
\$10 million per year

# HOW TO MEET NEEDS:

## End Ping-Pong Policy Development

1. State/Federal Revenues Inadequate...Region Promotes Tollroads and Managed Lanes
2. Early Partnership with NTTA for a 50% Gas Tax Commitment With No Revenue Sharing...Region Pleads for More Revenue from State/Federal Sources
3. Dell Computer Creates Jobs Out of State...Region Pleads for More Revenue
4. State Creates Public-Private Partnerships...Region Advances Several Projects Waiting for Revenues for 20 Years
5. Private Sector Presents \$2.8B Proposal, matched by \$3.2B Proposal by NTTA...Region Begins Selection of Non-Tollroad Projects
6. Legislature Questions Role of Public-Private Partnership and Begins Market Valuation Process...Region Promotes a System Approach With No Success

# HOW TO MEET NEEDS:

## End Ping-Pong Policy Development

7. Project-by-Project Market Valuation Proceeds...RTC Advances Construction with S.H. 121 Revenues on an Interim Basis
8. Project Resolutions Slow...Resolutions ad hoc (S.H.121, George Bush Extension, S.H. 161, Southwest Parkway, Trinity, IH 635 Managed, Loop 820 Managed and S.H. 121 Funnel all different) and Gas Tax Revenue Almost Evaporate
9. Staff Will Recommend a Five Part Revenue Strategy to the RTC for Transmittal to the Texas Legislature
10. Public-Private Partnerships Will Be Used To Advance Tollroads, Managed Lanes, Goods Movement and Passenger Rail Systems. We Need To Get Away From “Winners and Losers” and Get Back To Partnerships.

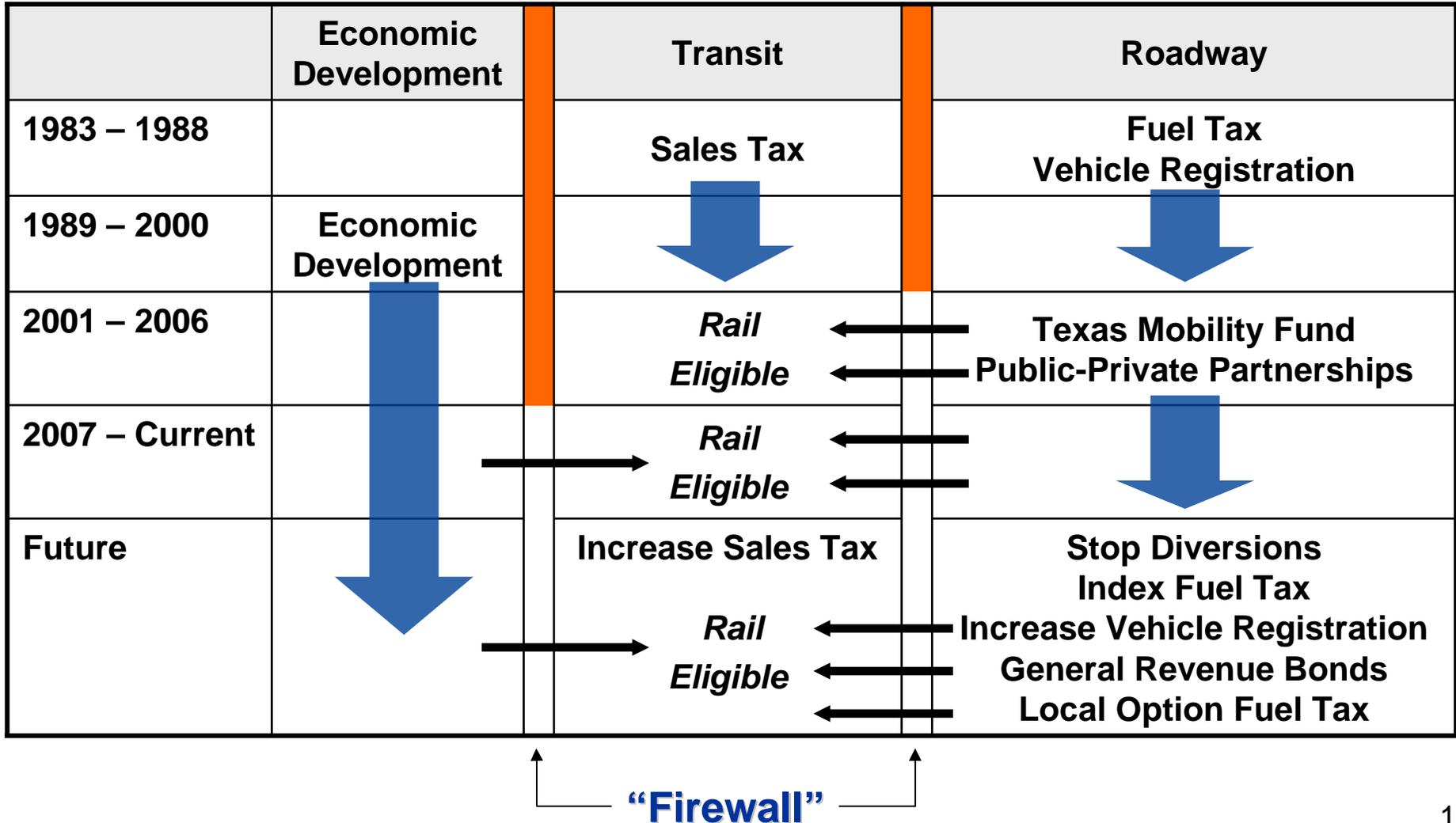
# **Minimum State Revenue Initiatives:**

## **Stop The Bleeding**

- 1. Stop Diversions**
- 2. Index Fuel Tax**
- 3. Bond Transportation From General Fund**
- 4. Recommit To Public-Private Partnerships (i.e. Innovative Finance) Within Metropolitan Regions**
- 5. Local Option Revenue Menu**

# RAIL NORTH TEXAS

## Legislative History on Transportation “Firewall”



# **Why Innovative Finance Is an Important Part of the Mix**

## **Gas Tax**

**Rule #1 – Law of Allocation**

**Rule #2 – Law of Inflation (Costs Rising Faster than Revenues)**

**Rule #3 – Law of Silos**

## **Toll Financing**

**Rule #1 – Law of Competition (Leveraging, Innovation, Partnership, Risk/Reward)**

**Rule #2 – Law of Immediacy**

**Rule #2 – Law of Fungibility**

# PARTNERSHIP

**NOT**

**IS**

**Projects**



**System**

**Competition**



**One Team**

**Between Public  
Sector Agencies**

**Highlighting  
Weaknesses**



**Utilizing  
Strengths**

**Stand Alone  
Efforts**



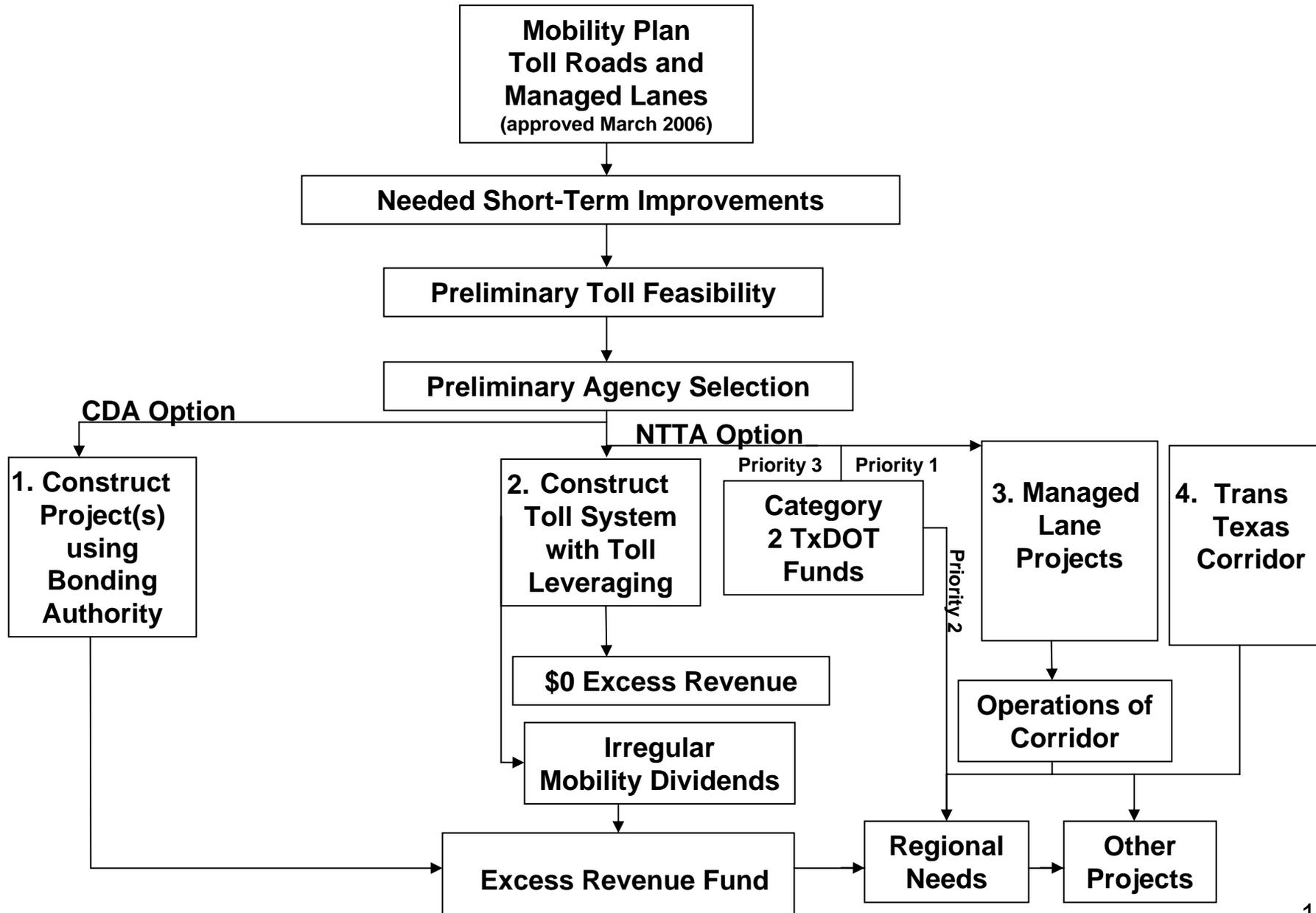
**Leveraging**

**Building Easy  
Projects First**



**Prioritizing**

# INTEGRATED COMPREHENSIVE APPROACH: TOLL SYSTEM FOR NORTH TEXAS



# Regional Outer Loop North Texas

## Outer Loop Items

-  Study Area
-  County-Adopted Corridor
-  Loop 9 Corridor
-  Outer Loop Study Corridor
-  SH 360 Study Corridor

## Transportation Facility

-  Primary Highway
-  Secondary Highway
-  Rail

## Other Items

-  County Line
-  Lake
-  Stream

