



TEXAS TRANSPORTATION FUNDING, INCLUDING TEXAS CLEAR LANES AND CONGESTION RELIEF UPDATE

Presentation for Texas Transportation Commission



Purposes of the Workshop

- The Texas Transportation Commission is responsible for oversight of Texas Department of Transportation (TxDOT) in implementing transportation policy on a statewide basis, which impacts over 28 million people throughout the rural and urban areas of Texas.
- To provide an updated report to the Texas Transportation Commission on TxDOT's focus on the congestion relief initiatives directed by Governor Greg Abbott to the Commission on September 23, 2015, including the Texas Clear Lanes congestion relief initiative.
- There will be **NO ACTION** taken on this item today or tomorrow.

Governor Abbott's Leadership for New Funding Sources

Governor Greg Abbott responded to the Texas voter mandate of Texans who approved Proposition 1 with 80% of the vote, by the Governor directing that transportation funding would be a priority in the 84th Legislature and calling on the Texas Legislature to:

“add more than \$4 billion a year to build more roads in Texas without raising taxes, fees, tolls or debt.”

- Governor Greg Abbott

February 17, 2015 “State of the State”

The Mandate from Texas Voters for New Funding Sources

Ballot Language:

The constitutional amendment providing for the use and dedication of certain money transferred to the state highway fund to assist in the completion of transportation construction, maintenance, and rehabilitation projects, not to include toll roads.

- In 2014, Proposition 1 was overwhelmingly passed by voters with 80 percent of the vote in favor of constitutionally-mandated transportation funding for projects other than toll roads
 - Directs a portion of oil and gas severance tax revenue to the State Highway Fund. In 2015, Proposition 1 generated \$1.74 billion and generated \$734 million in 2018.

The Mandate from Texas Voters for New Funding Sources

Ballot Language:

The constitutional amendment dedicating certain sales and use tax revenue and motor vehicle sales, use, and rental tax revenue to the state highway fund to provide funding for nontolled roads and the reduction of certain transportation-related debt.

- In 2015, Proposition 7 was overwhelmingly passed by voters with 83 percent of the vote in favor of constitutionally-mandated transportation funding for projects other than toll roads
 - Directs a portion of the growth of state sales tax and the motor vehicle sales tax to the State Highway Fund. In 2018, it's anticipated to generate \$2.3 billion and will grow to \$3 billion a year by fiscal year 2021.

In 2015, the 84th Texas Legislature ended diversions from the State Highway Fund gas tax to increase transportation funding by \$650 million per year

Governor Abbott's directive to the Texas Transportation Commission

“The State of Texas is spurring economic development and creating jobs by making an historic investment to build more roads and improve our infrastructure. That's why today I am directing the Texas Transportation Commission to create a focused initiative to identify and address the state's most congested chokepoints and work with transportation planners to get new roads built swiftly and effectively.”

— Governor Greg Abbott, September 23, 2015

On September 24, 2015, Commissioner Bugg was appointed to lead the Texas Transportation Commission's Congestion Relief Initiative.

Response to the voter mandate for Non-Tolled Roads for Congestion Relief: Texas Clear Lanes

- Texas Clear Lanes is a statewide strategic plan to provide congestion relief through non-tolled roads and is focused on Austin, Dallas, Fort Worth, Houston and San Antonio. Why these five major metro areas?:
 - Represent more than 65 percent of the Texas population. According to State Demographer Dr. Lloyd Potter, 87 percent of Texans live in counties along I-35 and east of the interstate.
 - Home to 92 of Texas’ “Top 100” chokepoints based on the Nov. 1, 2017, Texas A&M Transportation Institute list:
 - Austin: 13 roadways
 - Dallas: 24 roadways
 - Fort Worth: 7 roadways
 - Houston: 38 roadways
 - San Antonio: 10 roadways
- In addition to TexasClearLanes, the TxDOT congestion relief initiative includes a statewide congestion relief focus on connectivity and strategic freight/trade corridors outside of the five major metropolitan areas.
- According to the Texas A&M Transportation Institute, 93 percent of Texans rely on a personal auto as primary means of transportation. Users experience an average 52 annual hours of delay per commuter (2015). According to TRANSEARCH, Texas roads are also carrying 53.7% of the freight tonnage by mode of travel.
- Visit TexasClearLanes.com to learn more about the progress we have made to date.



Population Projections

Area Name	2015	2050	Percent change (2015-2050)
Austin-Round Rock	1,990,437	5,176,940	160.1%
Dallas-Fort Worth-Arlington	7,117,896	16,367,293	129.9%
Houston-The Woodlands-Sugar Land	6,622,047	14,221,267	114.8%
San Antonio-New Braunfels	2,380,005	4,294,232	80.4%

Source: Texas Demographic Center

Texas Transportation Commission Response to the Voter Mandate

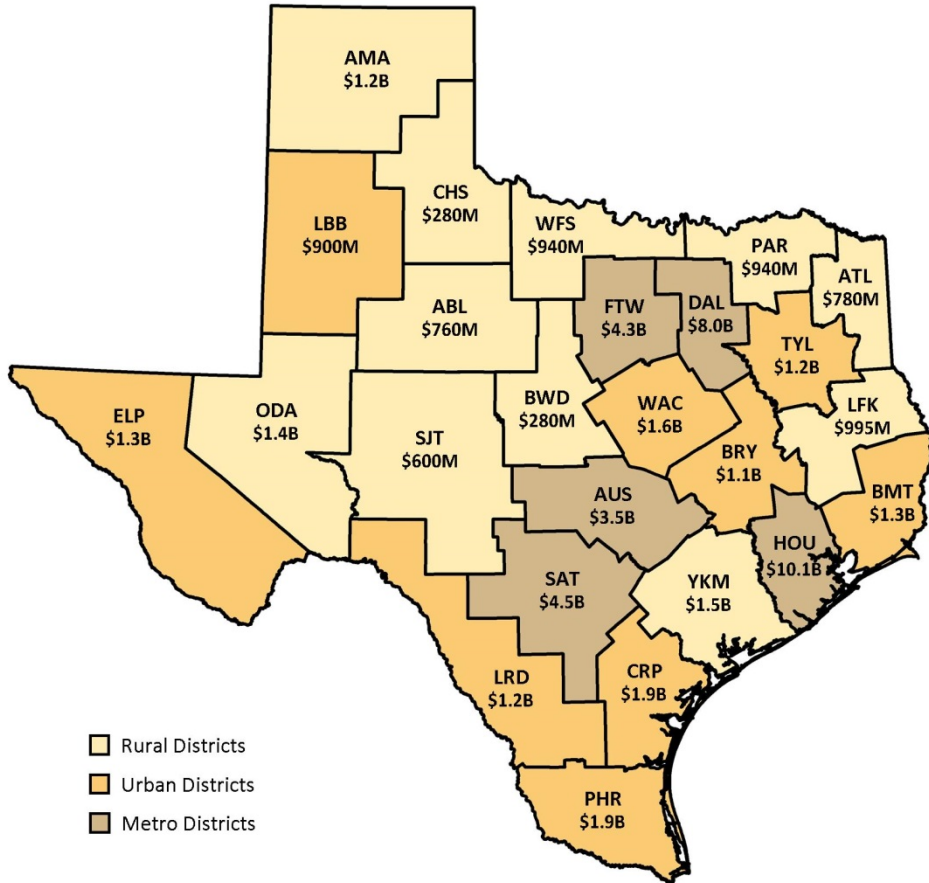
- Internal taskforce of key TxDOT administration and district staff conduct on-going monthly meetings to review Texas Clear Lanes projects, timelines and funding requirements.
- The Commission listened to the needs and priorities of local stakeholders in these five metro areas. This effort led to the initial funding, in February 2016, under Texas Clear Lanes of \$1.3 billion in non-tolled projects to the five metro areas allocated as follows:

Metro Area	Formula Distribution	Funding (\$ Million)
Austin	12.2%	\$ 158.6
Dallas	28.0%	\$ 364.0
Fort Worth	12.6%	\$ 163.8
Houston	34.1%	\$ 443.3
San Antonio	13.1%	\$ 170.3
	100.0%	\$ 1.3 billion

*Formula allocation based on Category 2 formulas

2018 UTP Funds Distribution

Summary of 2018 UTP Funding (\$B)



Rural Districts*	\$9.7
Urban Districts*	\$12.4
Major Metropolitan Districts*	\$30.3
Statewide and Unallocated	\$13.0
Category 3 Non-Traditional Funding	\$5.2
Total	\$70.6

* 5 Metro, 9 Urban, 11 Rural Districts
 Source: Wilson Administration Franchise Model

Current 2018 Unified Transportation Program

Category	10-YR Distribution (\$ Billions)
Category 1- Maintenance	\$13.9
Category 2 -Metro and Urban Corridor Funding	\$12.2
Category 3- Non Traditional	\$5.2
Category 4 - Connectivity (Regional)	\$6.3
Category 4 - Connectivity (Congestion)	\$5.1
Category 5 - CMAQ (3 MPOs)	\$2.2
Category 6 - Bridge	\$3.4
Category 7 - Fed STP-MM (Large MPO)	\$4.3
Category 8 - Safety	\$3.3
Category 9 - TAP	\$0.8
Category 10 - Supplemental Transportation Projects	\$0.7
Category 11 - District Discretionary	\$1.1
Category 11 - Energy Sector	\$2.1
Category 12-Strategic Priority	\$5.1
Category 12-Strategic Priority (TexasClearLanes)	\$4.9
Total Funds	\$70.6

*Figures from December 2017 update of the 2018 UTP

Current 2018 Unified Transportation Program Congestion Relief Funding

Statewide congestion funding for 10 years is \$28.9B including the following to each of the five major metros: (UTP Categories 2, part of 4, 5, 7 and 12)

Metro Area	Funding (billions)
Austin	\$2.0
Dallas	\$5.3
Fort Worth	\$2.5
Houston	\$6.8
San Antonio	\$2.2
Category 12 Texas Clear Lanes	\$4.9
Total for 5 metros	\$23.7

Discussion on Funding Top 100 Chokepoints

- The funding analysis for the Texas 2017 Top 100 Congested Segments (“Top 100 Chokepoints”) being presented today is for discussion purposes only to address public comments received by TxDOT to inform and educate the taxpayers of the State of Texas and promote discussion among Commission members.
- This funding analysis for the Top 100 Chokepoints does not reflect any policy direction by the Commission for TxDOT to pursue.
- There will be **NO ACTION** taken on the funding analysis for the Top 100 Chokepoints in this workshop today or tomorrow. It is for discussion purposes only.

Discussion Objectives

- To address public comments received by TxDOT that funding from Proposition 1 and Proposition 7, which is constitutionally mandated to not be used for toll roads, and, funding from “ending diversions” (collectively the “New Funding Sources”) should be used to fund projects described in the Top 100 Chokepoints
- Review estimated 10 year revenue from the New Funding Sources
- Identify 2017 Top 100 Chokepoints
- Funding analysis for using the New Funding Sources to apply to Top 100 Chokepoints by ranking
- Discuss implications of this funding analysis to apply the New Funding Sources to the Top 100 Chokepoints on the Texas Transportation Commission’s responsibility for transportation policy throughout the State of Texas, addressing both rural and urban transportation needs

This portion of today's discussion is to address public comments received by TxDOT by letter from over 200 individuals as signatories that:

- 1) The vast majority of the New Funding Sources did not get allocated to the Top 100 Chokepoints.
- 2) Instead, the New Funding Sources were used on construction projects throughout Texas other than the Top 100 Chokepoints.
- 3) TxDOT should prioritize and direct New Funding Sources to the Top 100 Chokepoints.

Estimated 10 Year Revenue from Proposition 1, Proposition 7, and Ending Diversions for Non-Tolled Construction

2018 UTP Funding Source	Funding Amount (\$B)
Proposition 1*	\$ 6.5
Proposition 7	\$ 23.7
Ending Diversions	\$ 5.2
Estimated Total New Funding Sources	\$35.4

*Assumes legislative continuation of Proposition 1 beyond current Sunset date of 2025

Estimated Construction Costs to Address Top 100 Congested Segments By District

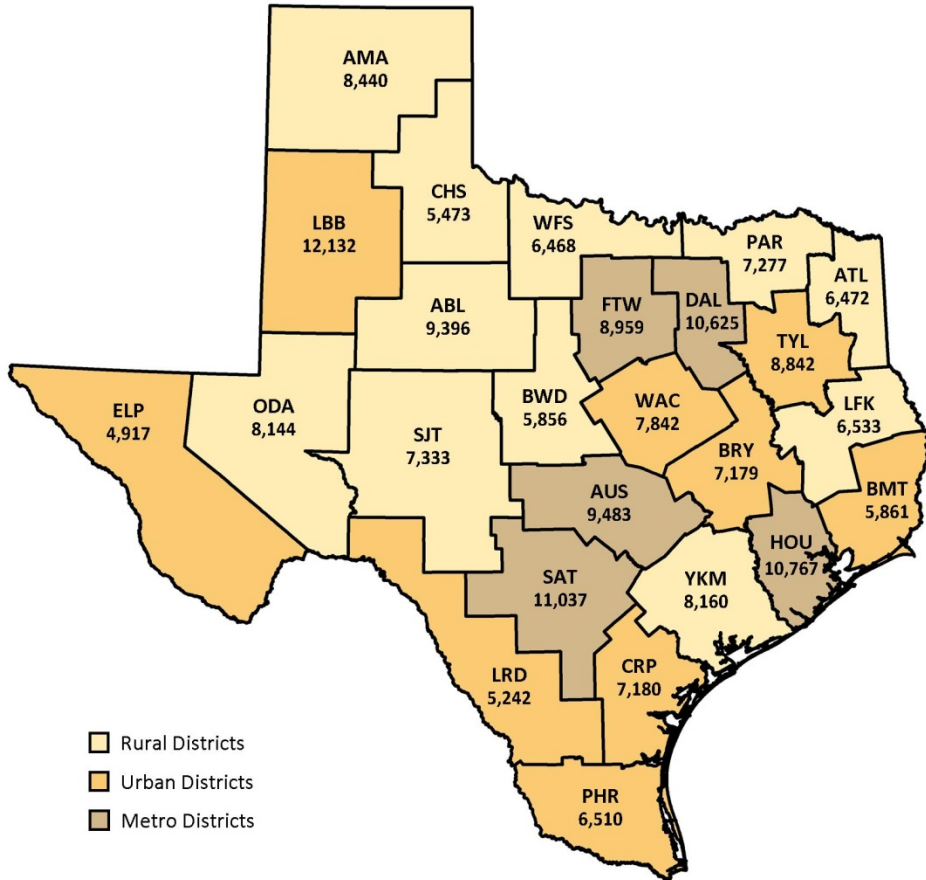
Rank Range	Estimated Construction Cost* (\$M)											
	Austin	Dallas	Fort Worth	Houston	San Antonio	El Paso	Tyler	Bryan	Corpus Christi	Laredo	Pharr	Totals
1-25	\$5,060	\$8,762	\$700	\$12,169	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$26,691
26-50	\$1,913	\$1,400	\$350	\$2,483	\$4,601	\$0	\$0	\$0	\$0	\$0	\$0	\$10,747
51-75	\$1,420	\$2,091	\$90	\$1,085	\$1,685	\$80	\$110	\$0	\$0	\$0	\$0	\$6,561
76-100	\$0	\$1,235	\$851	\$1,901	\$12	\$325	\$0	\$225	\$40	\$77	\$17	\$4,683
1-100	\$8,393	\$13,488	\$1,991	\$17,638	\$6,298	\$405	\$110	\$225	\$40	\$77	\$17	\$48,682

*Estimated project costs may reflect preliminary assumptions for planning purposes. Final project costs will vary based on future environmental study and project engineering.

Hypothetical 10-yr Program

Hypothetical 2018 UTP	Funding Amount (\$B)
New Funding Sources for Top 100 Chokepoints	\$ 35.4
Remaining Funds for 10-Yr UTP for State of Texas	\$ 30.0
Total Allocated Funds	\$65.4
Non-Traditional Funds (Cat 3 & Fed Earmarks)	\$ 5.2
Total All Funds	\$70.6

On-System Highway Lane Miles in Texas



Rural Districts Miles	79,552
Urban Districts Miles	65,705
Major Metropolitan Districts Miles	50,871
Total Statewide Miles	196,128

Considerations

- Widespread support for Propositions 1 and 7
 - Proposition 1: won majority in 253 of 254 counties and more than 75% or more of vote in all but 21 counties
 - Proposition 7: won majority in all 254 Texas counties and more than 75% or more of vote in all but 3 counties
- **IF** New Funding Sources were used exclusively on Top 100 Chokepoints, it is predicted the Congestion measure would improve from projected levels while all others would worsen.
- Working with Texas Transportation Institute, conservative economic benefits using the current investment strategy would yield a present value of \$186 billion over a 30-year benefit stream.

- Early* Legislative direction on use of Proposition 1 was for:
 - Mobility and added capacity projects in urban areas to decrease congestion and increase the safe and efficient movement of traffic
 - Projects that improve regional connectivity along strategic corridors in rural areas of the state
 - Statewide maintenance and preservation projects
 - Roadway safety and maintenance projects in areas of the state impacted by increased oil and gas production activity

* Since 2018 use of Proposition 1 funds has been left to the Commission

Top 100 Chokepoints Addressed by Projects Let From Fiscal Year 2015 to Present

Rank(s) Addressed	Hwy	District	Cost (\$M)	Notes
2	IH 35	Austin	\$ 166	Projects let in 2016
6	IH 35E	Dallas	\$ 121	Projects let in 2017
23	US 281	San Antonio	\$ 192	Let in 2017
26	IH35E/US67/US67	Dallas	\$ 660	DB Contract signed in 2017
27	IH 610/IH 69 Interchange	Houston	\$ 259	Let in 2017
32	IH 635	Dallas	\$ 5	Projects let in 2015 and 2017
40	Airport Fwy / SH 183	Dallas	\$ 865	DB Contract signed in FY 2015
41	SH 288	Houston	\$ 816	DB Contract signed in 2016
47	E IH 820	Fort Worth	\$ 174	Let in 2017
48	Connally Loop NW / IH 410	San Antonio	\$ 82	Let in 2015
48*	SH 121	Fort Worth	\$ 61	Let in 2016
52, 78, 93	IH30/SH360 Interchange	Ft Worth	\$ 233	Let in 2015
52	SH 360	Ft Worth	\$ 54	Let in 2018
76	SH 48	Pharr	\$ 209	Let in 2018
Total			\$3,897	

* Rank from earlier year

- Since January 2015, TxDOT has issued construction contracts for 2,874 non-tolled projects, totaling over \$14.8 billion.
- 1,474 non-tolled projects worth \$15.6 billion are under construction.
- 2,220 non-tolled projects worth \$10 billion have been completed and opened to Texas drivers since January 2015.

Putting Dollars to Work

“Today, I am directing TxDOT Senior Staff to develop a plan for Commission review, to apply substantially more of the new funding sources on the Top 100 congested roads to determine how funding can be allocated to address these worst chokepoints. If funding streams are insufficient for additional highway capacity that is needed by our growing population, the source of any new funding streams is a policy decision not for this Commission, but for our State Leaders and the Texas Legislature.

While we can all agree that funding sources that allow for “free” general purpose lanes, or a “pay as you go system” is what Texas historically has relied upon has been our traditional funding source, ***THIS COMMISSION’S RESPONSIBILITY IS TO PLAN FOR THE TRANSPORTATION NEEDS OF TEXAS TODAY, AND THE FUTURE OF TEXAS – IN DOING SO, WE ARE INDIFFERENT ABOUT THE SOURCES OF FUNDING STREAMS, BUT NOT INDIFFERENT TO OUR COMMITMENT TO BUILDING NEW ROADS TO MEET OUR MANDATE FROM THE PEOPLE OF THE STATE OF TEXAS TO ADDRESS TRANSPORTATION NEEDS OF TEXAS.***

This Commission will continue to execute, as we have in the past, to deploy all available funding sources to build new roads to meet the needs of all Texans.”

- J. Bruce Bugg, Jr., Chairman

Texas Transportation Commission Meeting

December 17, 2017