



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

October 31, 2018
AGENDA ITEM #8

Discuss and consider modifying the annual
toll rate escalation becoming effective on
January 1, 2019

Strategic Plan Relevance: Deliver on commitments to our customers and our investors

Department: Finance

Contact: Bill Chapman, Chief Financial Officer

Associated Costs: N/A

Funding Source: Toll Revenues

Action Requested: Consider and take such action as necessary

Summary:

Section 301.003 of the Policy Code provides that, each October, Mobility Authority staff must calculate a percentage increase in toll rates charged on non-variable rate Mobility Authority toll facilities using the formula established by that section. The formula is based on changes to the most recently published non-revised index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment, as published by the Bureau of Labor Statistics of the U.S. Department of Labor. Each year, this Toll Rate Escalation Percentage is reported to the Board.

The Toll Rate Escalation Percentage calculated based on the September 2018 CPI-U is 2.27%. This percentage increase in toll rates will automatically become effective on January 1, 2019 unless the Board affirmatively votes to modify the percentage. If the percentage is not modified, this increase will result in an additional \$0.01 to \$0.03 toll charged at each gantry for a customer in a two-axle vehicle who uses a TxTAG or other transponder account.

Backup Provided: January 2019 Toll Rate Calculation 183A, 290E, 71E with CPI Calculation

TRAFFIC CONSULTANT CERTIFICATION
(January 2019 Toll Modification)

The undersigned is a duly authorized officer of Stantec Consulting Services Inc. serving as traffic consultant (the "Traffic Consultant") to the Central Texas Regional Mobility Authority ("Authority") pursuant to that certain Master Trust Indenture, dated as of February 1, 2005, between the Authority and Regions Bank, as successor in trust to JPMorgan Chase Bank, National Association, as Trustee (the "Master Trust Indenture"), relating to the issuance of Obligations thereunder. Any capitalized terms not otherwise defined herein have the respective meaning given to such terms in the Master Trust Indenture.

1. In accordance with Section 502 of the Master Trust Indenture, the Authority has provided us the proposed change to the Toll Rate Schedule set forth in Exhibit "A" attached hereto. In our opinion, the adoption of such proposed Toll Rate Schedule set forth in Exhibit "A" will not adversely affect the ability of the Authority to comply with its covenants in this Section 502.

2. Our certification herein is based upon our opinion as to Revenues to be derived by the Authority from the ownership and operation of the System (which Revenues include investment and other income not related to Tolls that constitute the Revenues of the System as estimated by an Authorized Representative), and a certificate of the Authorized Representative filed with the Trustee, stating the opinion of the Authority as to the amount of Operating Expenses paid or accrued during any pertinent Annual Period, assuming the proposed Toll rate schedule had been in effect during such pertinent Annual Period.

EXECUTED THIS 19th day of October, 2018.

STANTEC CONSULTING SERVICES INC.

By: William Ihlo
Name: William Ihlo
Title: Principal

EXHIBIT A

January 2019 Toll rate Calculation 183A , 290E and 71E

			CPI			CPIu Increase	New Toll rates 1/1/2019	2015		2020		
			CPI ^{t-12}	CPI ^t	(CPI ^t -CPI ^{t-12})/CPI ^{t-12}			Original 183A Toll Schedule	Original 183A Toll Schedule			
		Current Rate	CPI base Rate Sep 2017	CPI current Rate Sep 2018	CPI Adjustment 1/1/2019							
183A												
	Crystal Falls ramps	ETC	\$ 0.42	246.819	252.439	2.27697%	\$ 0.01	\$ 0.43				
	Crystal Falls Main Lane	ETC	\$ 1.07	246.819	252.439	2.27697%	\$ 0.02	\$ 1.09				
	Scottsdale Ramp	ETC	\$ 0.60	246.819	252.439	2.27697%	\$ 0.01	\$ 0.61				
	Park Street mainlane	ETC	\$ 1.51	246.819	252.439	2.27697%	\$ 0.03	\$ 1.54	\$ 2.00	\$ 2.25		
	Brushy Creek Ramps	ETC	\$ 0.60	246.819	252.439	2.27697%	\$ 0.01	\$ 0.61	\$ 0.75	\$ 1.00		
	Lakeline Main Lane	ETC	\$ 0.56	246.819	252.439	2.27697%	\$ 0.01	\$ 0.57	\$ 0.70	\$ 0.90		
Manor												
	183 Direct Connectors	ETC	\$ 0.57	246.819	252.439	2.27697%	\$ 0.01	\$ 0.58				
	Springdale ramps	ETC	\$ 0.57	246.819	252.439	2.27697%	\$ 0.01	\$ 0.58				
	Giles ramps	ETC	\$ 0.57	246.819	252.439	2.27697%	\$ 0.01	\$ 0.58				
	Giles Main Lanes	ETC	\$ 1.15	246.819	252.439	2.27697%	\$ 0.03	\$ 1.18				
	Harris Branch Parkway ramps	ETC	\$ 0.57	246.819	252.439	2.27697%	\$ 0.01	\$ 0.58				
	Parmer Main Lanes	ETC	\$ 0.57	246.819	252.439	2.27697%	\$ 0.01	\$ 0.58				
71E		ETC	\$ 0.89	246.819	252.439	2.27697%	\$ 0.02	\$ 0.91				
MoPAC ML	minimum toll	ETC	\$ 0.25					\$ 0.30				
45SW	Opening Toll Rate	ETC	Effective when open through calendar year 2019						\$ 1.00			

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301.3 Annual Toll Rate Escalation

(a) The following provisions are fully adopted and made a part of this subchapter and may be incorporated in any Trust Indenture or Supplemental Trust Indenture issued in conjunction with bond financing to be utilized for the financing of the construction and development of projects by the authority (defined terms in these provisions shall be in accordance with the terms and definitions set forth in the Master Trust Indenture and any applicable Supplemental Trust Indenture):

Subject in all instances to the provisions, requirements and restrictions of the Master Indenture, as amended and supplemented from time to time, beginning on October 1, 2012 and on each October 1 thereafter (the “Toll Escalation Determination Date”), a percentage increase in the Toll rates charged on all toll facilities in the Turnpike System will be determined in an amount equal to the Toll Rate Escalation Percentage. The Toll Rate Escalation Percentage, as calculated on each Toll Escalation Determination Date, shall be reported to the board each year at its October board meeting. The percentage increase in the Toll rates shall be effective on the January 1 of the next calendar year, unless at such board meeting the board affirmatively votes to modify the Toll Rate Escalation Percentage. If the board votes to modify the Toll Rate Escalation Percentage, the Toll rate increase to be effective on January 1 of the next calendar year shall be based on the modified Toll Rate Escalation Percentage.

(b) For purposes of determining the Toll Rate Escalation Percentage, the following capitalized terms shall have the meanings given below:

- (1) “Toll Rate Escalation Percentage” = shall mean a percentage amount equal to $[(CPI^t - CPI^{t-12})/CPI^{t-12}]$. In the event the Toll Rate Escalation Percentage is calculated to equal less than 0%, then the Toll Rate Escalation Percentage shall be deemed to equal 0%.
- (2) “CPI” = the most recently published non-revised index of Consumer Prices for All Urban Consumers (CPI-U) before seasonal adjustment (“CPI”), as published by the Bureau of Labor Statistics of the U.S. Department of Labor (“BLS”) prior to the Toll Escalation Determination Date for which such calculation is being made. The CPI is published monthly and the CPI for a particular month is generally released and published during the following month. The CPI is a measure of the average change in consumer prices over time for a fixed market basket of goods and services, including food, clothing, shelter, fuels, transportation, charges for doctors’ and dentists’ services, and drugs. In calculating the index, price changes for the various items are averaged together with weights that represent their importance in the spending of urban households in the United States. The contents of the market basket of goods and services and the weights assigned to the various items are updated periodically by the BLS to take into account changes in consumer expenditure patterns. The CPI is expressed in relative terms in relation to a time base reference period for which the level is set at 100.0. The base reference period for the CPI is the 1982-1984 average.

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- (3) “CPI⁻¹²” = the CPI published by the BLS in the month that is 12 months prior to the month used to established CPI^t.
- (4) If the CPI is discontinued or substantially altered, as determined in the sole discretion of the authority, the authority will determine an appropriate substitute index or, if no such substitute index is able to be determined, the authority reserves the right to modify its obligations under this section.

301.4 Exemption from Toll

- (a) The operator or the registered owner of a vehicle operated on an authority toll facility is required to pay the toll established by this subchapter unless the vehicle is exempted by state law or by this section.
- (b) An authorized emergency vehicle defined by Section 541.201, Transportation Code, is exempt from paying a toll to use an authority toll facility under Section 370.177, Transportation Code.
- (c) A state or federal military vehicle is exempt from paying a toll to use an authority toll facility under Section 362.901, Transportation Code.
- (d) Under Section 370.177(a-1), Transportation Code, and to facilitate a multi-modal transportation system that ensures safe and efficient travel for all individuals in central Texas, a vehicle used exclusively to provide transportation to a member of the public under a transit program established and managed by the Capital Metropolitan Transportation Authority or the Capital Area Rural Transportation System is exempt from paying a toll to use an authority toll facility.
- (e) The authority will create technical procedures to implement the toll exemptions described and established by this section.

301.5 Discounts and Incentives

- (a) A primary objective of the authority’s marketing and public information program is to encourage enrollment of as many customers as possible in interoperable transponder programs. Transponder programs that are interoperable with the authority’s facilities currently include the Texas Department of Transportation’s TxTag; the North Texas Tollway Authority’s TollTag; and the Harris County Toll Road Authority’s EZ TAG. The board will determine appropriate introductory and marketing activities on a project-by-project basis by separate resolution, which may include, but not be limited to, those described in subsection (b).
- (b) During the initial start-up phase of tolling on a particular project, incentives to customers may be offered depending on the level of toll tag enrollment, such as the following discounts and incentives: