



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

Board Workshop



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

October 9, 2019

Agenda



I. Welcome and Opening Remarks by the Chair and Board Members

II. Introduction by the Executive Director

III. Financial Forecast

- A. Revenue and Expense Projections
- B. Reserve Requirements (existing and proposed)
- C. Capital Improvement Fund

IV. Capital Improvement Plan

V. Project Delivery Models

- Design-Bid-Build
- Design-Build
- Design-Build-Finance

VI. Project Development – Primacy/TxDOT Role

VII. Strategic Initiatives

- A. Park and Ride Program
- B. Mobility Authority Membership

VIII. Board Input/Direction

- A. Approach to Toll Collection and Discuss Toll Tag Usage
- B. Actions requiring Board Determination– Review list of Board Decision Items
- C. Future topics/next workshop

IX. Closing remarks

X. Opportunity for public comment

A blue-tinted photograph of a highway. In the foreground, a concrete barrier with rounded posts runs along the right side of the road. The road itself has white lane markings and stretches into the distance. On the right side of the road, there is a signpost with three signs: 'NORTH', '183 A', and a circular sign with a right-pointing arrow and the word 'TOLL'. In the background, there are utility poles, a fence, and a large building on the left. The sky is blue with some light clouds.

**I. Welcome and opening remarks by the
Chair and members of the Board of
Directors**



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Mike Heiligenstein, Executive Director

II. Introduction by the Executive Director



Workshop Goals



- ❑ Board Discussion and Direction...a conversation with the Board...interactive...ask questions/provide input at any time
 - A. Provide Input and/or Direction on several decision points
 - B. Provide direction on areas you want to focus on in the future
 - C. Several Items may be considered at future Board Meetings

Workshop Key Questions – Seeking input/direction



Reserve Funds

1. Does the Board want to maintain/revise the existing Cash Reserve Policy?
2. Does the Board want to create a new Capital Improvement Fund to cash fund a portion of future projects?
 - a. If so, what should we set for the initial funding level?
3. Does the Board want to establish any new Cash Reserves?

Capital Improvement Plan (CIP)

4. How does the Board want to be involved in the CIP?

Park and Ride Project/Program Support

5. What is the level of Park and Ride Program support to be provided by the Mobility Authority?

Future Mobility Authority Expansion: Surrounding Counties

6. Should CTRMA be open to new Counties? Do you have direction to the Executive Director?

Approach to Toll Collection and discuss Toll Tag Usage

7. a. Is there any other background information you would like about the evolution to cashless tolling and where the industry is headed? b. Do you have questions about our current approach to toll collection and enforcement? c. Are there any changes or enhancements you would like us to consider?

Actions Requiring a Board Determination – Review current list of Board Decision Items

8. Does the Board want to revise any of the steps of the process leading up to these decision points?



III. Financial Forecast

- A. Revenue and Expense Projections**
- B. Reserve Requirements (existing and proposed)**
- C. Capital Improvement Fund**

III. Financial Forecast

- A. Revenue and Expense Projections
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Finance Team



CTRMA Staff

CFO
Controller
Fiscal Analyst

Financial Advisors

Hilltop Securities

Bond Counsel

Bracewell

Traffic & Revenue (T&R) Consultants

CDM Smith
Stantec

Regional Banks

Underwriters



Five-Year Outlook

Includes new projects
(under construction/
development)

Assumes annual toll rate
increases based on
estimated Consumer Price
Index for all Urban
Consumers (CPI-U)

Eventually expect all
roadways would be in the
system and the current
“non system expenses”
would be added into
Operations and
Maintenance

The Board will determine
whether new projects will
be added to the System by
Board Policy and action

Purchasing headquarters
building would be
equivalent to debt service
and is now included as rent
under Operations

Assumes
Operating/Maintenance
Expense increases by
inflation rate projected in
T&R reports

The Mobility Authority “System”



Transportation Code - Section 370.034 – ESTABLISHMENT OF TRANSPORTATION

SYSTEMS - “If an authority determines that the traffic needs of the counties in which it operates and the traffic needs of the surrounding region could be most efficiently and economically met by jointly operating two or more transportation projects as one operational and financial enterprise, it may create a system made up of those transportation projects.”

- **Mobility Authority current “System”**
 - 183A Phases 1 & 2
 - 290 East Phases 1, 2 & 3
 - 71 East
 - 183 South
 - 183 North
- **Mobility Authority planned future “System” additions**
 - 183A Phase 3
 - MoPac Express Lanes
 - 45SW
 - MoPac South



Revenue/Expense Assumptions?



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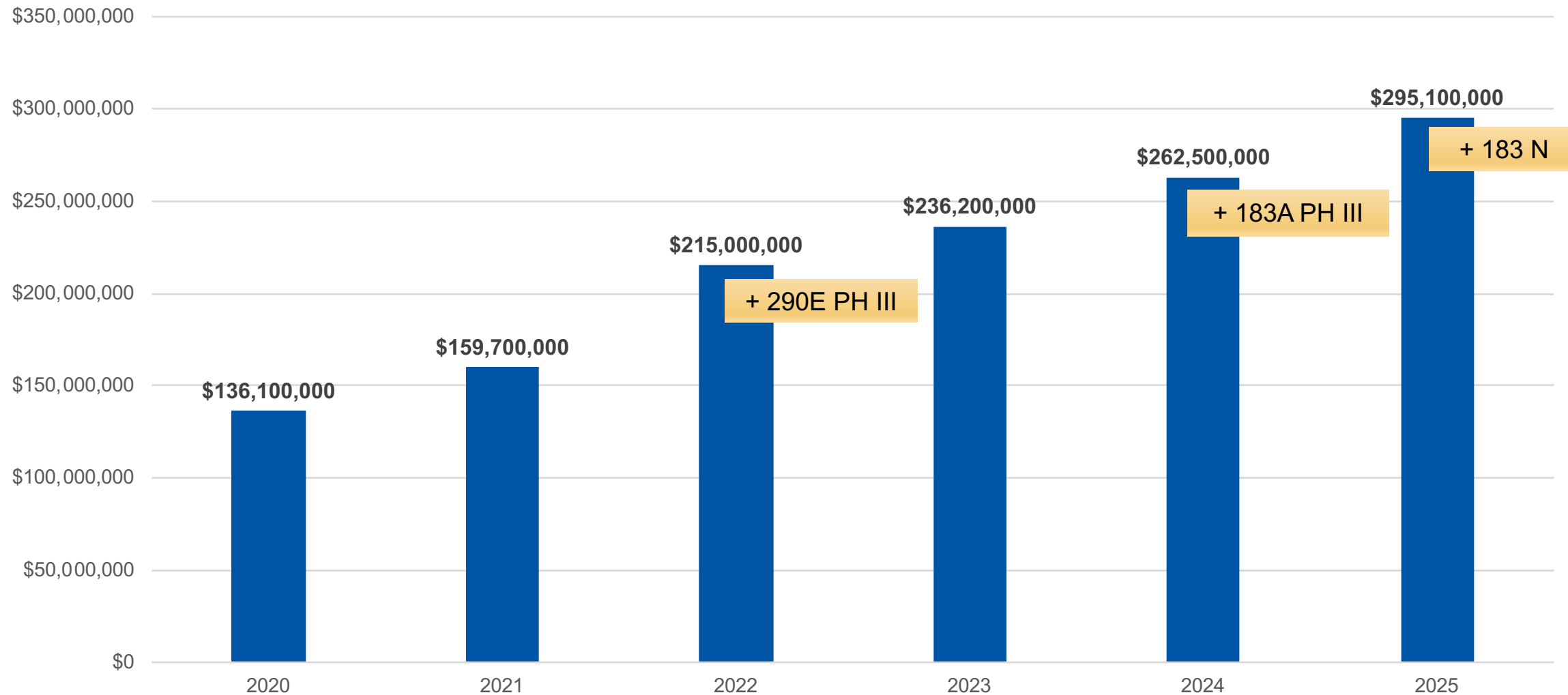


Revenue Projections to 2025



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Gross Revenue Projections to 2025



Assumes Annual Toll Rate Increases that will be based on CPI-U (published by the Bureau of Labor Statistics of the U.S. Department of Labor)

Includes Revenues from all Projects (both System and non-System)

Assumes additional revenue from New Projects when tolling begins



Revenue Projections?



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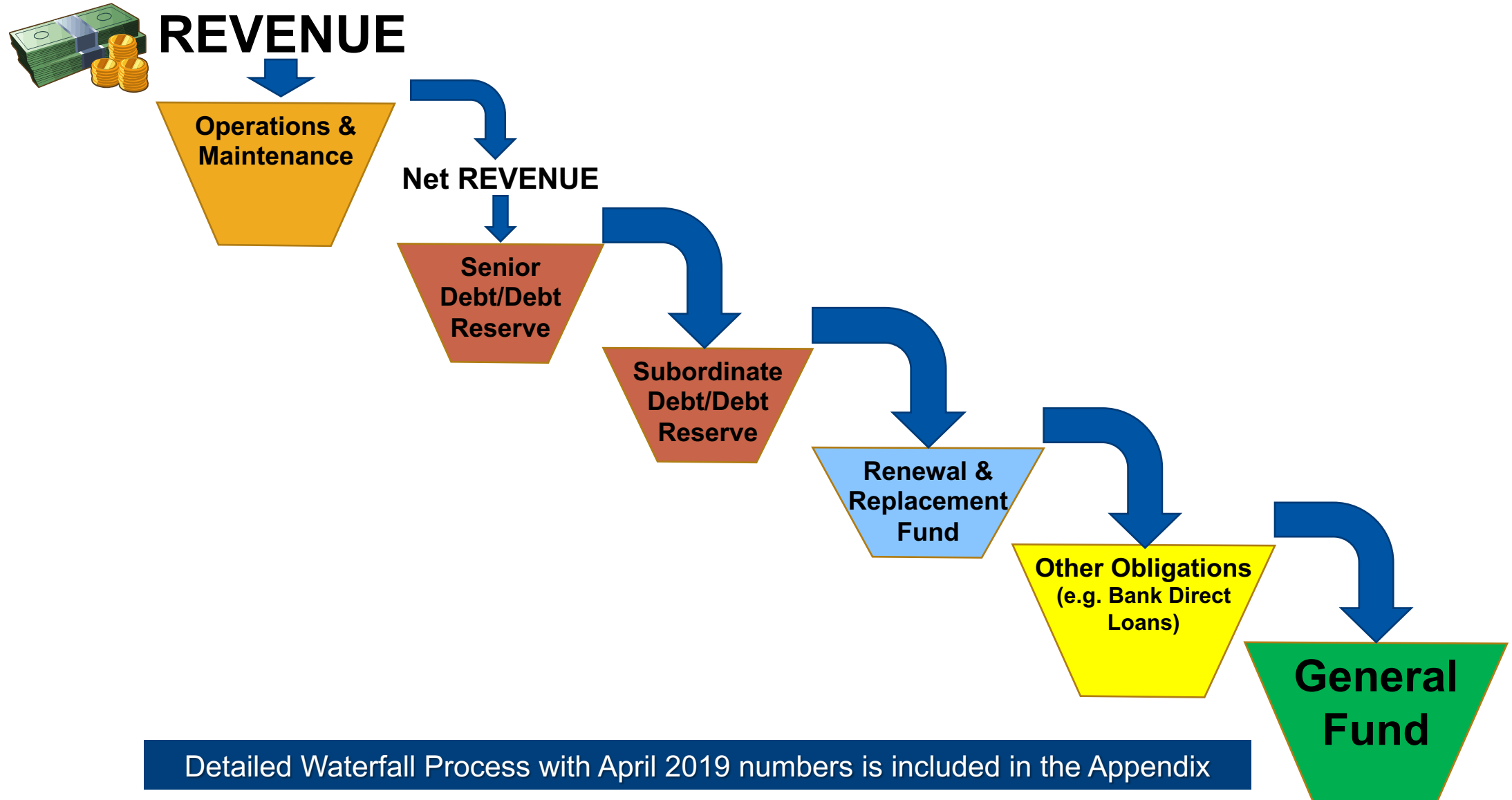


Expense Projections to 2025



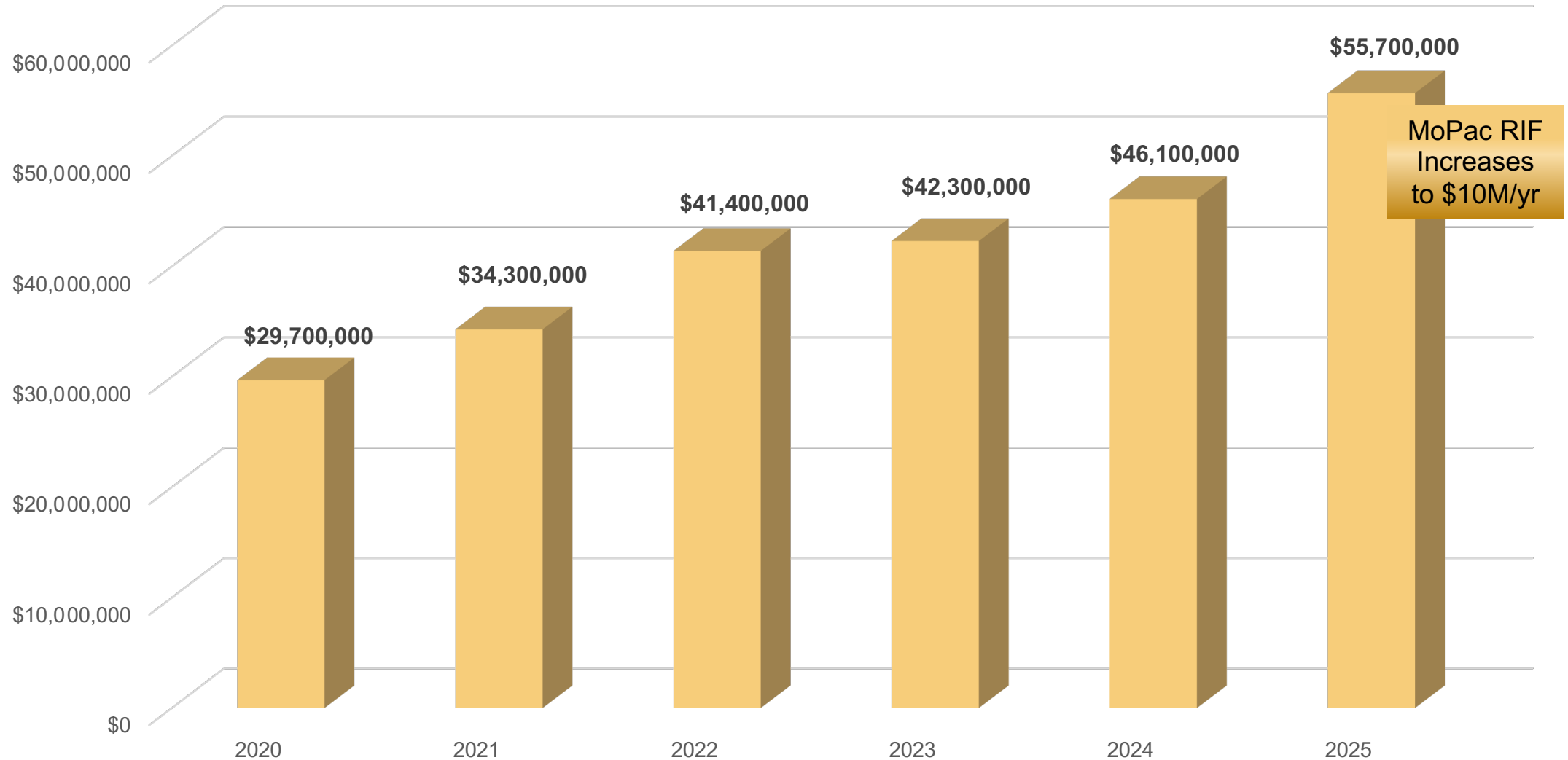
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Flow of Funds



Detailed Waterfall Process with April 2019 numbers is included in the Appendix

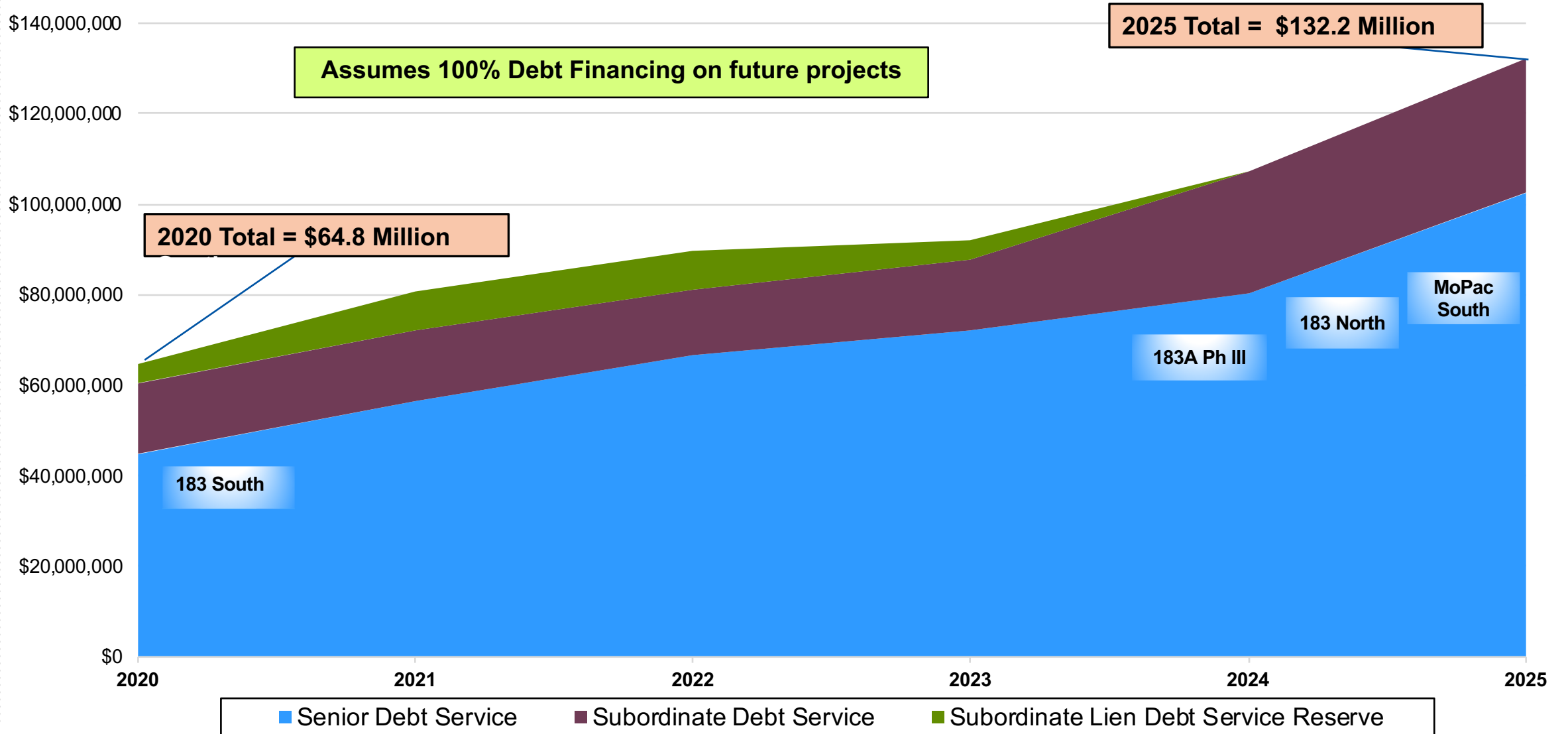
Operations & Maintenance Expense



Includes annual MoPac Regional Infrastructure Fund payment and 71E TxDOT payment

MoPac RIF
Increases
to \$10M/yr

Debt Service Cashflow – Senior/Sub Debt, Reserve



2020 Total = \$64.8 Million

2025 Total = \$132.2 Million

Assumes 100% Debt Financing on future projects

183 South

183A Ph III

183 North

MoPac South

Exploring New Short-term Debt Tools



- **Private Placements**
 - Draw down note
- **Variable rate demand bonds**
- **Soft Put**
- **Floating rate notes**
- **Commercial Paper**

Commercial Paper Benefits

- Lower interest costs - short end of curve
- Issue when projects are ready, saves interest
- Short term 1-270 days
- Roll over

New Short-term Debt Tool – Commercial Paper



Summary

A commercial paper program can help CTRMA effectively manage its capital borrowings and any short-term cash flow needs

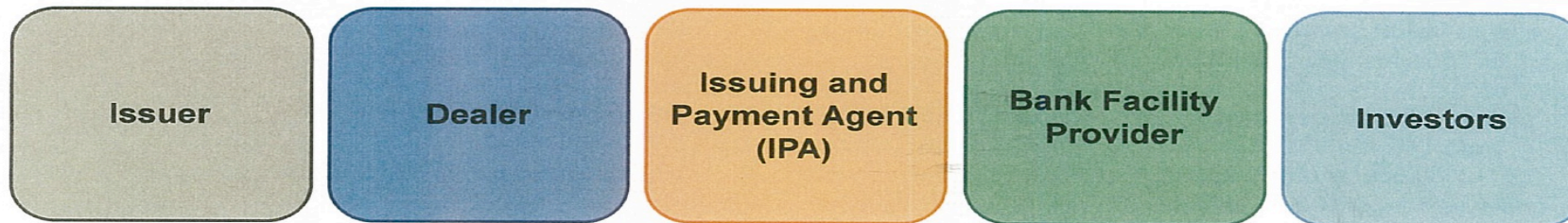
Benefits of CP

- CP can be used as an interim financing vehicle for capital needs
- CP has numerous features which are beneficial to issuers, such as:
 - ▶ Outstanding amounts are flexible
 - ▶ Short-term, flexible maturities
 - ▶ Same day funding

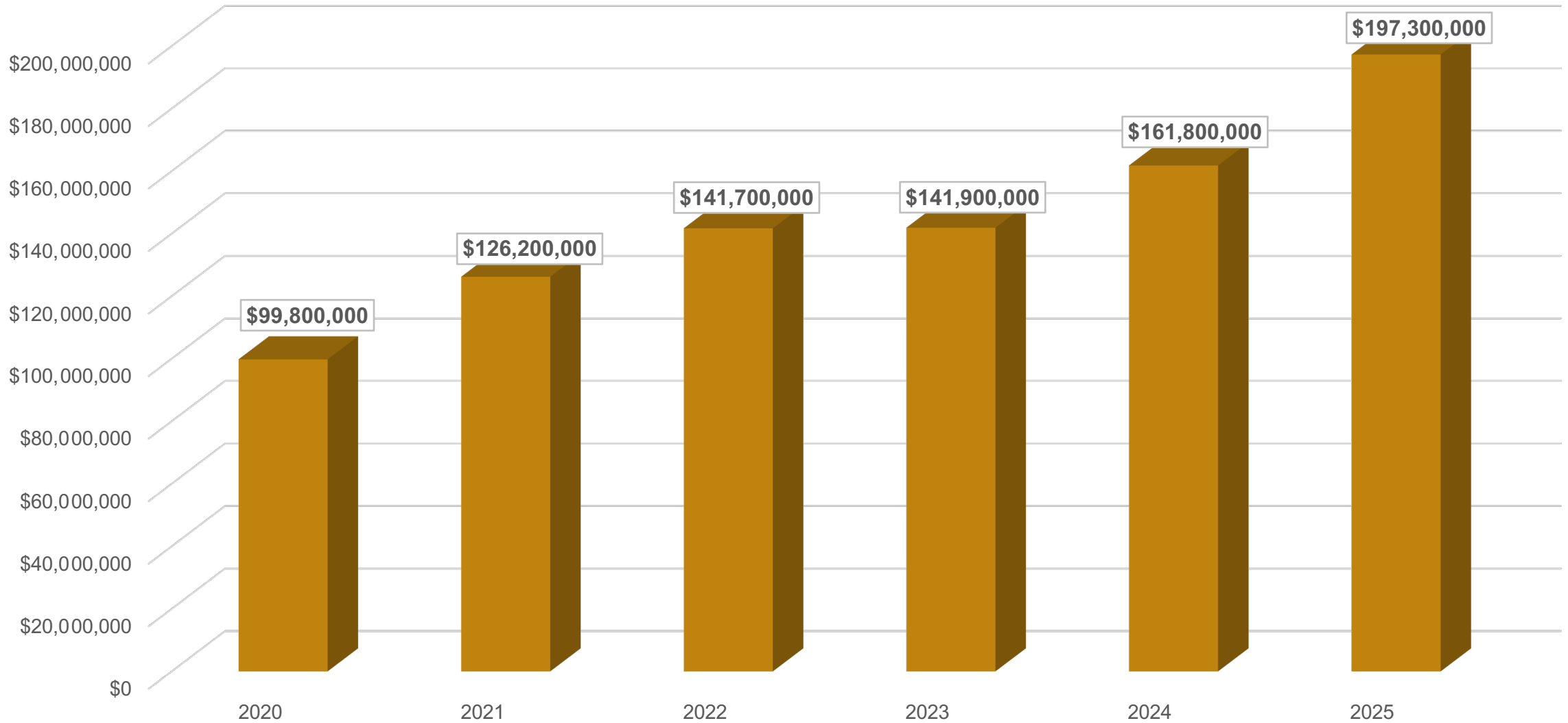
CP Costs

- CP incurs upfront and ongoing costs of Issuance
- On-going expenses include:
 - ▶ Dealer fees
 - ▶ Bank facility fees
 - ▶ Issuing and Paying Agent fees
- Additional costs include those associated with credit and liquidity support

Participants in a CP Program



Financial Forecast – Total Expenses



Total Expenses = Operations/Maintenance + Debt Service/Reserves + Renewal/Replacement Fund + Non-system Expenses + Other Obligations

Financial Forecast – Prior to Reserves



Calendar Year	Annual Revenue	Annual Operations and Maintenance	Annual Senior Debt	Annual Sub Debt	Annual Renewal/ Replacement	Annual Subordinate Lien Debt Service Reserve Fund (TIFIA, TxDOT)	Annual Non System Expenses	Annual Surplus Revenue
2020	\$136,100,000	\$29,700,000	\$44,900,000	\$15,600,000	\$200,000	\$4,300,000	\$5,100,000	\$36,300,000
2021	\$159,700,000	\$34,300,000	\$56,500,000	\$15,600,000	\$5,890,000	\$8,600,000	\$5,300,000	\$33,510,000
2022	\$215,000,000	\$41,400,000	\$66,500,000	\$14,500,000	\$4,800,000	\$8,600,000	\$5,900,000	\$73,300,000
2023	\$236,200,000	\$42,300,000	\$72,100,000	\$15,600,000	\$870,000	\$4,300,000	\$6,700,000	\$94,330,000
2024	\$262,500,000	\$46,100,000	\$80,300,000	\$27,000,000	\$380,000	-	\$8,000,000	\$100,720,000
2025	\$295,100,000	\$55,700,000	\$102,500,000	\$29,700,000	\$1,130,000	-	\$8,300,000	\$97,770,000



Expense Projections?
Commercial Paper?
Financial Forecast Prior to Reserves?



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Bill Chapman, CFO
Robert Goode, Deputy Executive Director

III. Financial Forecast

- A. Revenue and Expense Projections
- B. Reserve Requirements (existing and proposed)**
- C. Capital Improvement Fund



Debt Service Reserve Funds



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Debt Service Reserve Funds – As of 7/31/2019



Senior Lien Debt Service Reserve Funds

\$82,956,843

Subordinated Lien Debt Service Reserve Funds

\$15,702,789

CTRMA will be funding new subordinated debt service reserve funds after July 15, 2020

- **TIFIA Loan (Transportation Infrastructure Finance and Innovation Act)**
 - 36 monthly additions of \$588,115.78
 - will total \$21,172,168
- **TxDOT SHF (State Highway Fund Loan)**
 - 36 monthly additions of \$63,164.60
 - will total \$2,273,925.60
- **TxDOT SIB (State Infrastructure Bank)**
 - 36 monthly additions of \$63,164.60
 - will total \$2,273,925.60



Existing Board Policy Cash Reserve



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Existing Board Policy – Cash Reserve



Board's Cash Reserve Budget Resolution:

“Prudent management and fiscal oversight require that reserve funds be set aside to prepare CTRMA for both known and unforeseen future financial obligations”

Board Policy:

- Reserve 12 months of Operating, Debt Service, and Non-system expenses
- The Executive Director can reduce the Cash Reserve to 9 months administratively
- Any reduction lower than 9 months requires Board approval

Recognized as a strength by Rating Agencies... Moody's October 2018 Credit Opinion highlighted that CTRMA has a ***“Strong current cash position with board target of maintaining at least one year of operational expenses and debt service in unrestricted balances”***

Existing Board Policy – Cash Reserve



Cash Reserve - Benchmarks

- Government Finance Officers Association (GFOA) recommends:
“...at a minimum, that general-purpose governments, regardless of size, maintain unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures.”
- The GFOA cautions that:
“...some governments may require much larger reserves based on their particular financial situation.”
- Moody’s Rating Agency incorporates “Days Cash on Hand” in their ratings...**they adjust downward for anything less than 365 days**
“We use ‘days of cash on hand’ as a proxy for estimating the amount of unrestricted cash available to issuers to manage unforeseen demand shocks and revenue disruptions or higher expenses.”

Financial Forecast – Reserve Funds



Calendar Year	Required Cash Reserve*
2020	*Board Policy = 12 months of Operating, Debt Service, Non-system expense \$95,300,000
2021	\$111,700,000
2022	\$128,300,000
2023	\$136,700,000
2024	\$161,400,000
2025	\$196,200,000

2020 Cash Projection

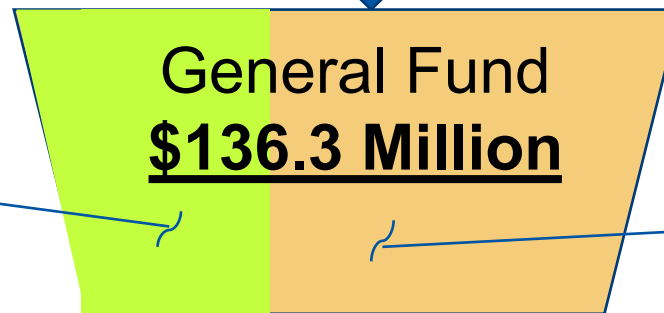


O&M, *Debt**, R&R Fund,
Other Obligations

**Senior Lien Debt
Service Reserve Funds
total \$83 million*

**Subordinated Lien Debt
Service Reserve Funds
total \$15.7 million*

Unrestricted Balance
Projection:
2020 = \$41 M



Board Policy 12
Months Cash
Reserves Projection:
2020 = \$95.3 M

Detailed Waterfall Process with April 2019 numbers is included in the Appendix



Debt Reserve Funds Board Policy - Cash Reserves?



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Robert Goode, Deputy Executive Director

III. Financial Forecast

- A. Revenue and Expense Projections
- B. Reserve Requirements (existing and proposed)
- C. **Capital Improvement Fund**



New Funds/Reserves Capital Improvement Fund



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Capital Improvement Fund



Capital Improvement Fund (CIF) – Why should we reserve funds for our Capital Program?

- Preserves critical funding to maintain our facilities
- Shifts to cash financing a portion of our future projects
- Would result in substantive long-term savings on project financing costs
- Reduces total reliance on debt financing for future projects, mitigating some of the concerns from rating agencies regarding CTRMA's leverage as expressed by Moody's in their October 3, 2018 Credit Opinion:
 - *“Credit Challenges: **Debt leverage is very high and debt services escalates steeply from 2018 to 2030**”*

Capital Improvement Fund



Capital Improvement Fund (CIF) - Benchmarks

- Most mature, medium/large sized agencies **use cash to fund a portion, if not all, of their capital program.** Many balance “cash on hand” vs cash CIP funding to achieve highest Bond Rating
- Many agencies set a goal of 50% - 100% cash financing vs debt financing
 - North Texas Tollway Authority (NTTA)
 - **All monies** remaining after debt service, operations and maintenance expenses, and reserve obligations are met, are deposited to their **Capital Improvement Fund**
 - Current long-term revenue, expense and debt service projections support NTTA’s current target to fund CIP 100% with cash on hand (5-year CIP totals about \$1.5 billion)
 - Central Florida Expressway Authority (CFX)
 - Latest CIP uses about 55% debt

Financial Forecast – Reserve Funds



Calendar Year	Required Cash Reserve*	Example Capital Improvement Fund (CIF) set at 50% of unrestricted balance	Remaining Unrestricted General Fund Balance (Gen Fund Balance – Required Cash Reserve - CIF)
	*Board Policy = 12 months of Operating, Debt Service, Non-system expense		
2020	\$95,300,000	\$20,500,000	\$20,500,000
2021	\$111,700,000	\$29,100,000	\$29,100,000
2022	\$128,300,000	\$57,400,000	\$57,400,000
2023	\$136,700,000	\$100,400,000	\$100,400,000
2024	\$161,400,000	\$138,400,000	\$138,400,000
2025	\$196,200,000	\$169,900,000	\$169,900,000

Example CIP Flow of Funds

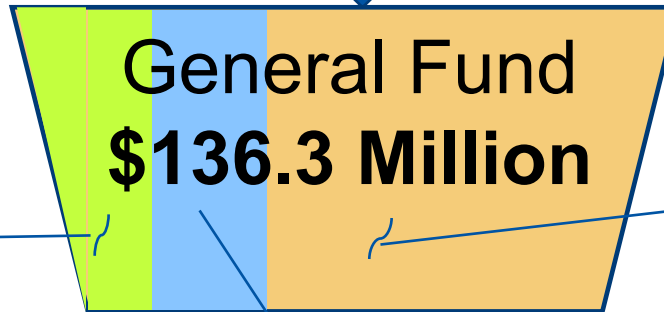


O&M, *Debt**, R&R Fund,
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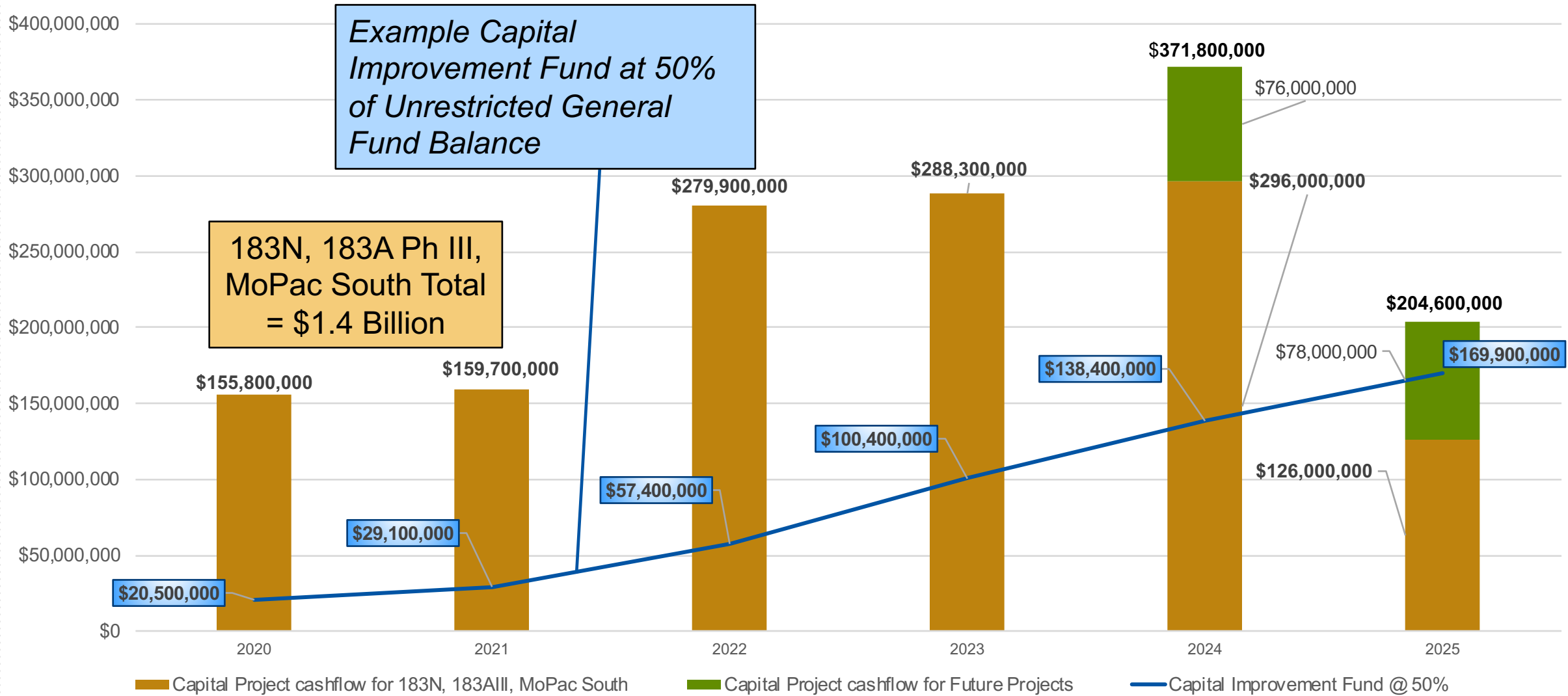
Unrestricted Balance
Projection:
2020 = **\$20.5 M**



Cash Reserves
Projection:
2020 = **\$95.3 M**

Capital Improvement Fund Projection:
2020 = **\$20.5 M**
(example at 50% of Unrestricted)

Example - Projected Capital Expenditures



Capital Improvement Fund



Capital Improvement Fund (CIF) – Potential Funding Levels

- Funds for CTRMA to finance all or part of the cost of construction, reconstruction, or acquisition of capital projects with cash would flow from the newly designated Capital Improvement Fund (CIF)
- The CIF would be funded from the Revenue Fund to the extent there are surplus revenues (see Flow of Funds slide)
- Initial funding level for the CIF could be set at any level of the annual “Unrestricted Balance”...10%, 50%, 100%
- Potential long-term goal of 25%, 50%, or 100% cash financing for future projects
- The foundation to establishing and implementing a Capital Improvement Fund is an underlying **Capital Improvement Plan (CIP)**

Board Discussion - Direction



1. Does the Board want to maintain/revise the existing Cash Reserve Policy?

Staff recommends maintaining the existing Cash Reserve fund at 12 months of Operating, Debt Service, and Non-System Expenses

2. Does the Board want to create a new Capital Improvement Fund to cash fund a portion of future projects?

a) If so, what should we set for the initial funding level?

Staff recommends setting an initial level of 50% of the unrestricted General Fund

3. Does the Board want to establish any new Cash Reserves?

Robert Goode, Deputy Executive Director

IV. Capital Improvement Plan



Why develop a formal Capital Improvement Plan?



As the Mobility Authority evolves from a “start-up” to a more mature agency/system a more robust, comprehensive Capital Plan will deliver the following benefits:

- Synchronizes capital and operating budgets
- Systematically evaluates competing demands for resources based on a prioritization matrix reflecting long-term goals and the objectives laid out in our Strategic Plan
- Identifies, prioritizes, and optimizes (most economical means) the financing of capital projects (Debt vs. Cash vs. Grants)
- Links our Strategic Plan with a fiscal capacity analysis



What is a 5-year Capital Improvement Plan?



A Capital Improvement Plan (CIP) is a **multi-year capital infrastructure/finance plan** that will function as a blueprint for planning our capital expenditures by identifying capital projects, providing a planning schedule, and identifying options for financing the plan.

The CIP will identify present and future needs requiring capital infrastructure and **coordinate capital planning** (CAMPO's Transportation Improvement Plan (TIP), TxDOT's Unified Transportation Plan (UTP), CAMPO's 10-year plan, and the region's Long Range Mobility Plan (CAMPO 2045 Plan), **financial capacity**, and **physical implementation**.

How can projects be prioritized?



5-YEAR Capital Improvement Plan

Will define/list renewal and replacement projects, capital projects, and corridor feasibility studies expected to be undertaken within 5 years.

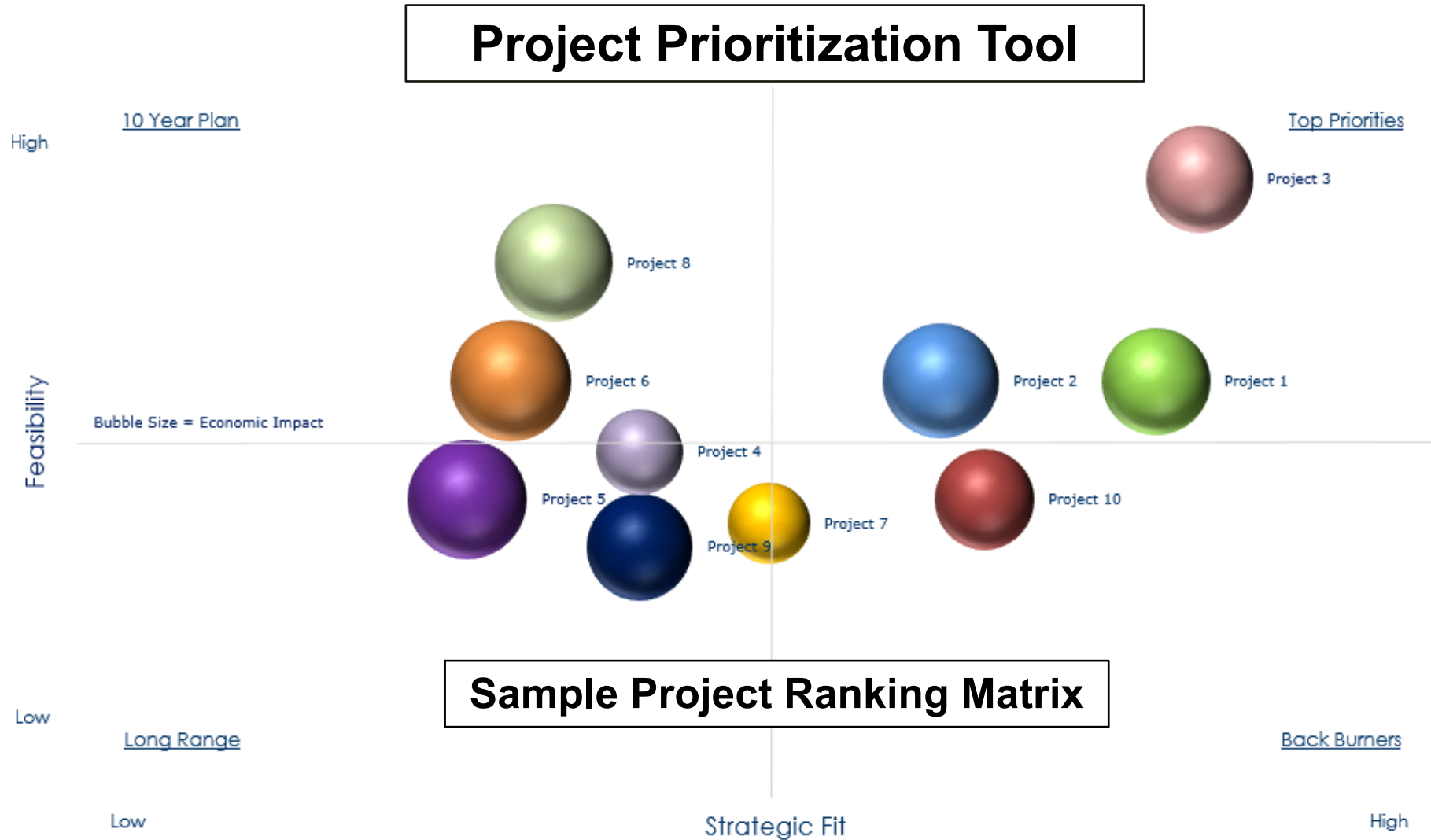
Details

- Project Prioritization Criteria weights can provide focus on traffic congestion reduction, toll feasibility, improving access to employment centers, project readiness, financial feasibility, etc.
- Should connect with, and help implement, the Board's goals/strategies laid out in our upcoming 2020 Strategic Plan

SAMPLE - Project Prioritization Criteria

PROJECT READINESS		FINANCIAL FEASIBILITY		USER RESPONSIVENESS			ECONOMIC			SYSTEM COORDINATION		
PROJECT STAGE	TIMELINE	TOLL FEASIBILITY	BENEFIT/COST	TRAFFIC CONGESTION REDUCTION	TECHNOLOGY UTILIZATION	IMPROVES USER INFO	IMPROVES ACCESS TO EMPLOYMENT CENTERS, MAJOR ATTRACTIONS AND FACILITIES	ENHANCES FREIGHT MOVEMENT	IMPROVES OPPORTUNITY FOR NEW DEVELOPMENT OR RE-DEVELOPMENT	PROVIDES LINK TO EXISTING TRANSPORTATION SYSTEM	PROVIDES BICYCLE OR PEDESTRIAN IMPROVEMENTS	MAXIMIZE / OPTIMIZE EXISTING CAPACITY
5%	5%	10%	15%	20%	5%	5%	5%	5%	5%	5%	5%	10%

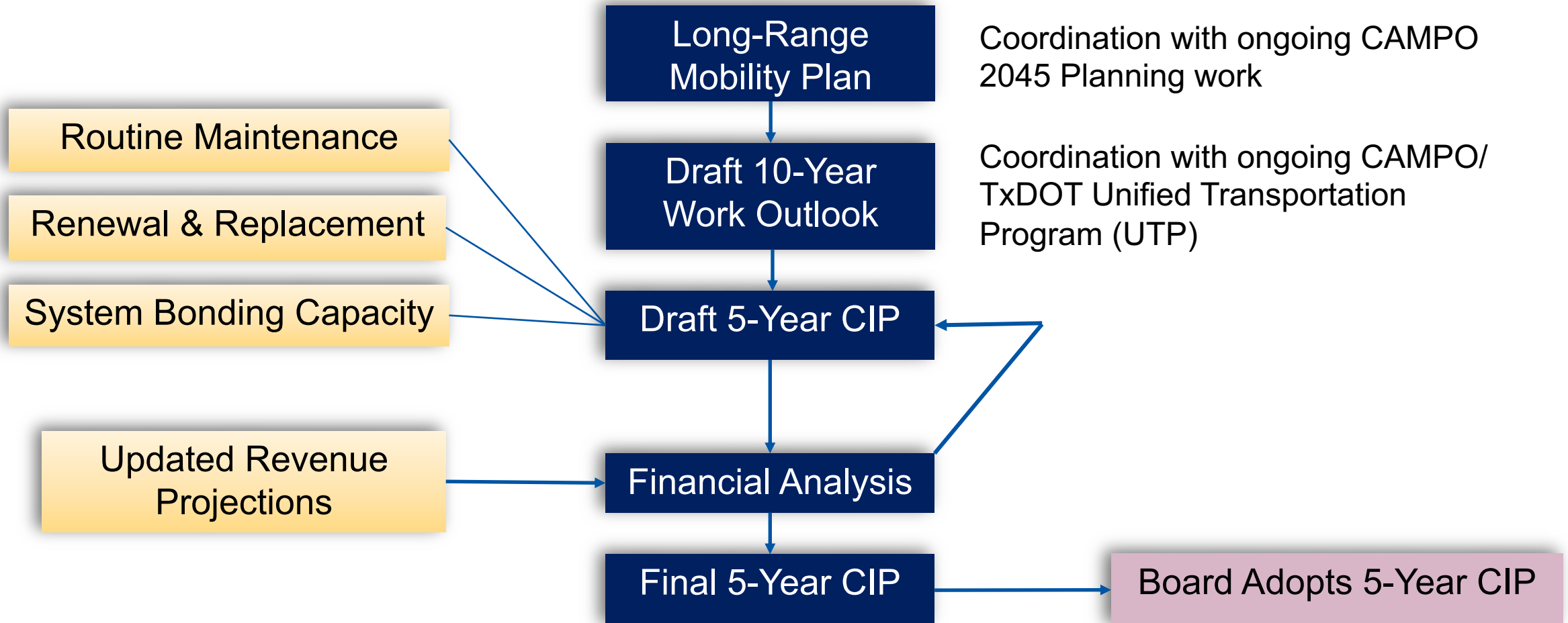
How can we prioritize projects?



How will the CIP be completed?



The CIP will require coordination across the entire Authority...an iterative process



What does a typical development process look like?



First Step – Identify Capital Projects



<u>PROJECT</u>	<u>Limits</u>	<u>Description</u>
MoPac Barton Skyway Ramp	Barton Skyway to 360	Add lane for Barton Skyway on-ramp
183 North	Loop 1 N to RM 620	Add 2 Express Lanes in each direction
183A Phase III	Hero Way to SH 29	Add 3 toll lanes in each direction
MoPac South	Cesar Chavez to Slaughter Ln	Add up to two express lanes in each direction
US 290 E Ph IV	SH 130 to FM 973	Construct 4-lane tolled expressway
183A Added Capacity	SH 45 to North of Hero Way	Add additional toll lane in each direction
US 183 N DC's @ SH 45	US 183 N DC's @ SH 45	Add Direct Connectors at SH 45
US 183 DC @ 2243	RM 2243 to 183A DC's	Add Direct Connectors at RM 2243
US 290 E PH V	FM 973 to SH 95	Construct 3 tolled lanes in each direction and two to three non-tolled frontage roads
RM 620	RM 2222 to US 183	Corridor Study
Loop 360	US 183 to US 290 W	Corridor Study
RM 2222	Loop 360 to RM 620	Corridor Study
Parmer Lane	RM 1431 to MoPac	Corridor study - Add 1 Express Lane in each direction

Example List

Example List



5-Year Capital Improvement Plan:

1. How does the Board want to be involved in the CIP?

Alternatives:

- a) Staff briefs the Board regularly on the development process. Board reviews and adopts 5-year Capital Improvement Plan (prioritization methodology, future project lists, etc.) on an annual basis prior to adopting the Annual Operating Budget
- b) Staff briefs the Board regularly on the development process and provides the Board with the resulting 5-year Capital Improvement Plan

Justin Word, Director of Engineering

Bob Brown, Sallye Perrin - WSP – General Engineering Consultant

Brian Cassidy – Locke Lord - Outside Legal Counsel

V. Project Delivery Models

Design-Bid-Build

Design-Build

Design-Build-Finance





Regional Mobility Authorities in Texas can use several alternative paths to design and construct capital projects. Each method has its own advantages and disadvantages.

- Design-Bid-Build (Traditional)
- Design-Build
- Design-Build-Finance

What is Design-Bid-Build?



Design-Bid-Build involves three sequential project phases:

1. Design phase;
2. Bid phase;
3. Construction phase, when the project is built by the selected **low bid** contractor.

Limits/requirements:

- Selection based on low bid
- Unlimited number of projects per year



- Owner is responsible for managing each step...ensuring everything is integrated.

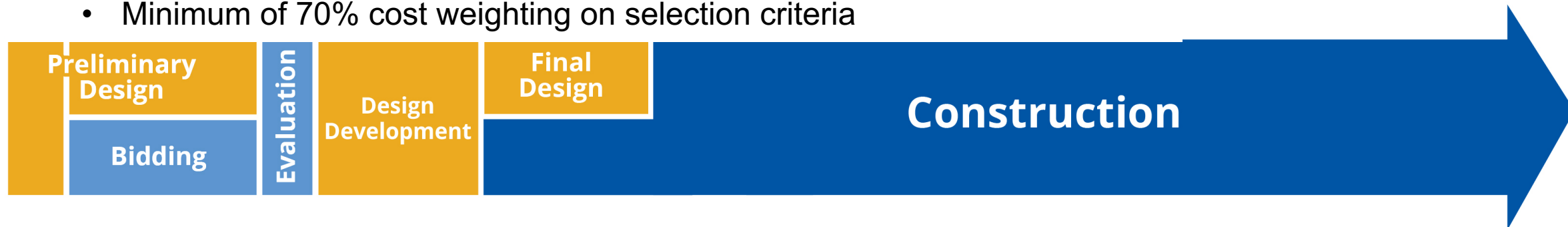
What is Design-Build?



Design-Build is a method of project delivery in which one entity (Design-Builder) forges a single contract with the Owner to provide for design & construction services.

Limits/requirements:

- Selection based on best value
- Limited to two projects per year
- No more than five shortlisted firms
- Minimum of 0.2% contract price stipends (RMA then owns their work product...ATC's)
- Minimum of 70% cost weighting on selection criteria



- Designer works for Contractor
- Integration of Design and Construction transferred to Contractor

At a Glance: Advantages/Disadvantages



	Design-Bid-Build	Design-Build
Advantages	<ul style="list-style-type: none">• Owner engages design consultants• More control over design maintained by the owner• Design complete → Cost certainty for Contractor and Owner	<ul style="list-style-type: none">• Single source of accountability for delivery• Early start construction activities• Contractor led innovation – constructability, materials, staging
Disadvantages	<ul style="list-style-type: none">• No input from the ultimate contractor (innovation, constructability)• Contract variations due to design errors and omissions• Little scope for building relationships between parties	<ul style="list-style-type: none">• Longer procurement/bid process• More costly procurement/bid phase for proposers• More uncertainties and risk at the time of bid → higher price/claims

Selecting the Delivery Model - Considerations



- Project size – \$100M – \$150M breakpoint – driven by contracting market – Design-Build for larger
- Significant opportunity for innovation / flexibility / design alternatives (favors Design-Build)
- Highly prescriptive design elements / scope (favors Design-Bid-Build, both can be used)
- RMA Funds available for all pre-construction work/ability to do the upfront work (favors Design-Bid-Build)
- Current heavy highway construction market conditions? Is one or the other (or both) saturated?

CTRMA Projects – Construction Costs



Design-Bid-Build	Design-Build
183A Phase II - \$76M	183A Phase I - \$178M
183A Phase III - \$180M (in design)	290E Phase II - \$219M
290E Phase I - \$51M	MoPac Express Lane - \$174M
290E Phase III - \$71M	183 South \$582M
45SW - \$75M	183 North - \$300M to \$400M (in procurement)
	MoPac South - \$340M to \$425M (in development)



Lessons Learned:

- Reduce / eliminate procurement scoring advantages of unrealistic contractor schedules to win the job
- Utilities - Reduce risk of utility conflicts by investing in and providing subsurface utility exploration early/
Implement pre-construction, advanced utility relocation design (30%) - reduces utility / pricing risk
- RMA to lead construction communications, with contractor support (change from MoPAC)
- Require cost and resource loaded construction schedules - condition of payment
- Use meaningful contractor incentives to delivery faster projects / higher quality (ex. 45 SW Env)

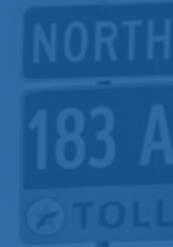
What is Design Build Finance? Advantages?



- Design Build Finance (DBF) is a type of alternative delivery in which the private sector is responsible for design, construction **and financing** a project.
- Typically used when an Owner doesn't have financial capacity to fund a project.
- Financing may range from short term construction loans to long term equity financing. All or a portion of the capital cost of a project is carried by the private sector, and then repaid by the owner.
- The DBF financing partner assumes additional risk beyond traditional Design Build (including fluctuating financial markets).
- The cost of private financing can be higher than what an Agency can achieve.
- Owner may determine the premium that they would pay through private financing does not favorably compare with the benefit of not having to provide up front funding for the project.
- Applying a DBF model may limit the pool of interested DB contractors as not all would be willing to take on the finance risk.

Justin Word, Director of Engineering

VI. Project Development – Primacy/TxDOT Role



TxDOT as an Agent of FHWA



Agent of Federal Highway Administration (FHWA) (Memorandum of Understanding)

Environmental / Planning	Financial	Design	Procurement
<ul style="list-style-type: none"> • NEPA public involvement oversight • Plan review • Review planning level traffic forecasts • Provide project Finding of No Significant Impact (FONSI) 	<ul style="list-style-type: none"> • Delegee for any federal funds • Review Project Management Plan and Initial Finance Plan (IFP) • Review annual updates to IFP 	<ul style="list-style-type: none"> • Review design exceptions • Provide traffic forecasts for pavement design (if not mandated) 	<ul style="list-style-type: none"> • Review procurement documents • Conduct procurement observation • Stewardship over procurement process

← Communicating with FHWA →

Custodians of the State Highway System



Environmental, Planning & Design	Construction	Operations & Maintenance
<ul style="list-style-type: none">• Receive Primacy Notice• Texas Transportation Commission approves non-tolled project funding• Provide pavement design• Project Development Agreement• Approve connection to the state highway system	<ul style="list-style-type: none">• Grant access to ROW	<ul style="list-style-type: none">• Tolling Interoperability

Primacy/TxDOT Role and Approvals



- Declare Primacy
 - CTRMA has the first option to develop, finance, construct, and operate new toll projects in Travis and Williamson counties under Texas Transportation Code Sec. 373.052...commonly referred to as “primacy”.
 - CTRMA must advertise for the initial procurement of required services within 180 days after exercising Primacy and enter into a contract for the construction of the Project within two years.
- Project included in Statewide Transportation Improvement Program (STIP) and Unified Transportation Program (UTP)
- Project Development Agreement (PDA)
- Environmental Impacts (Scoping, Study, Findings)
- Connection to TxDOT System



VII. Strategic Initiatives

- A. Park and Ride Program
- B. Mobility Authority membership

Jeff Dailey, Deputy Executive Director

VII. Strategic Initiatives

- A. Park and Ride Program
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Strategic Plan

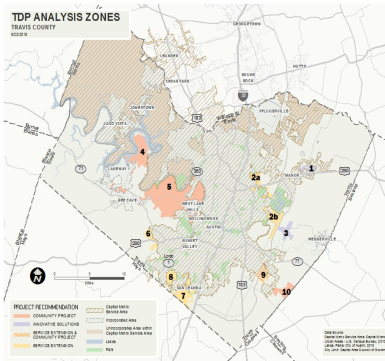


- **Deliver Multi-Faceted Mobility Solutions** - We will continue optimizing our region's overburdened transportation network. These efforts extend beyond simply building new capacity, and include programs and partnerships to enhance the quality of life for Central Texans by optimizing existing corridors.
 - Implement tolled and non-tolled mobility projects that give Central Texans more reliable travel options and reduced travel times, and deliver them on-time and within-budget
 - Incorporate additional features into our projects to maximize available capacity and enhance personal mobility, including traffic and incident management, vehicle connectivity, safety elements, special aesthetics, enhanced landscaping, and other added-value benefits.
- **Invest in Efforts that Extend Beyond Roadways**
 - Foster a continued partnership with Capital Metro whereby Express Buses are given toll-free access to our express lanes.
 - Study Park & Ride opportunities throughout the region in collaboration with Capital Metro and the relevant counties

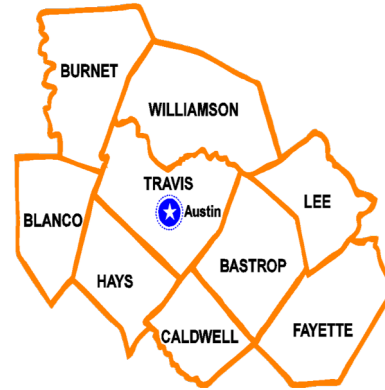
Regional Transit Plans



CAPITAL AREA METROPOLITAN
PLANNING ORGANIZATION



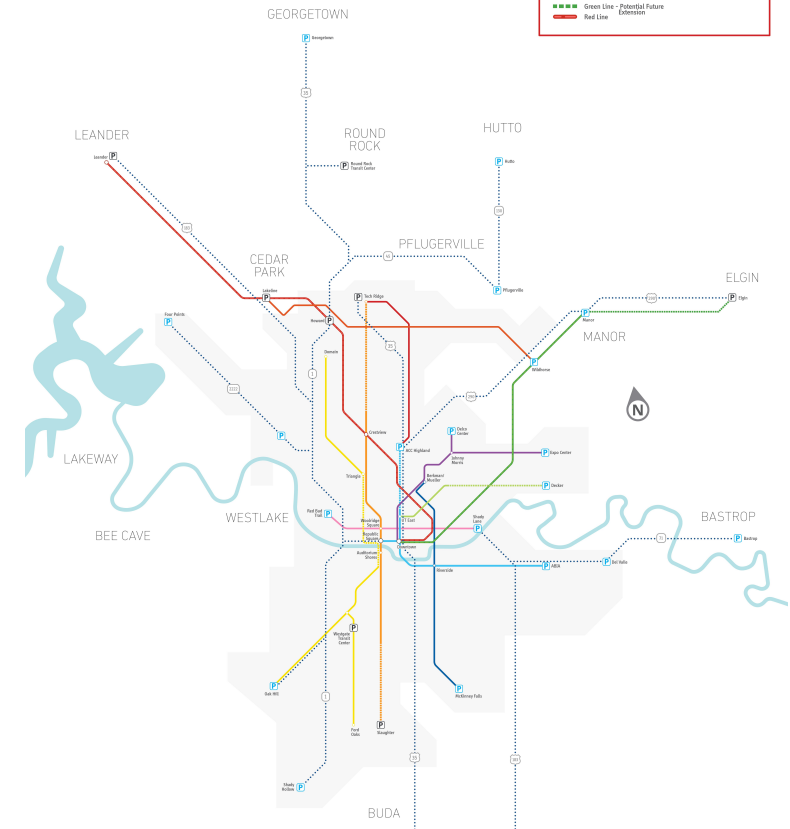
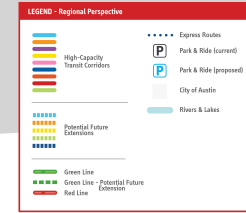
Travis County Transit
Development Plan



Capital Area Rural
Transportation
System

METRO projectconnect

REGIONAL PERSPECTIVE



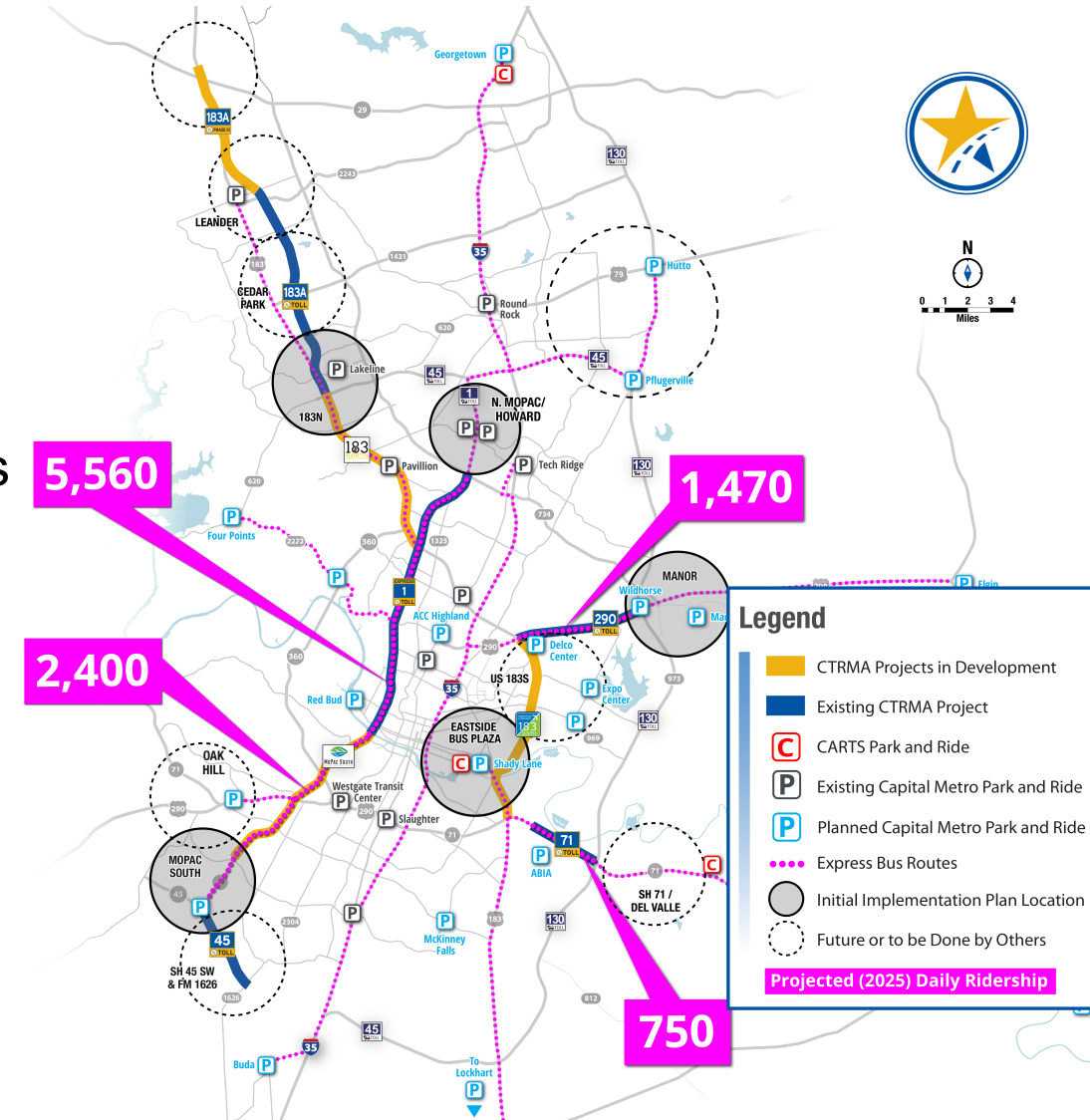
Capital Metro
Project Connect

SAN MARCOS LOCKHART

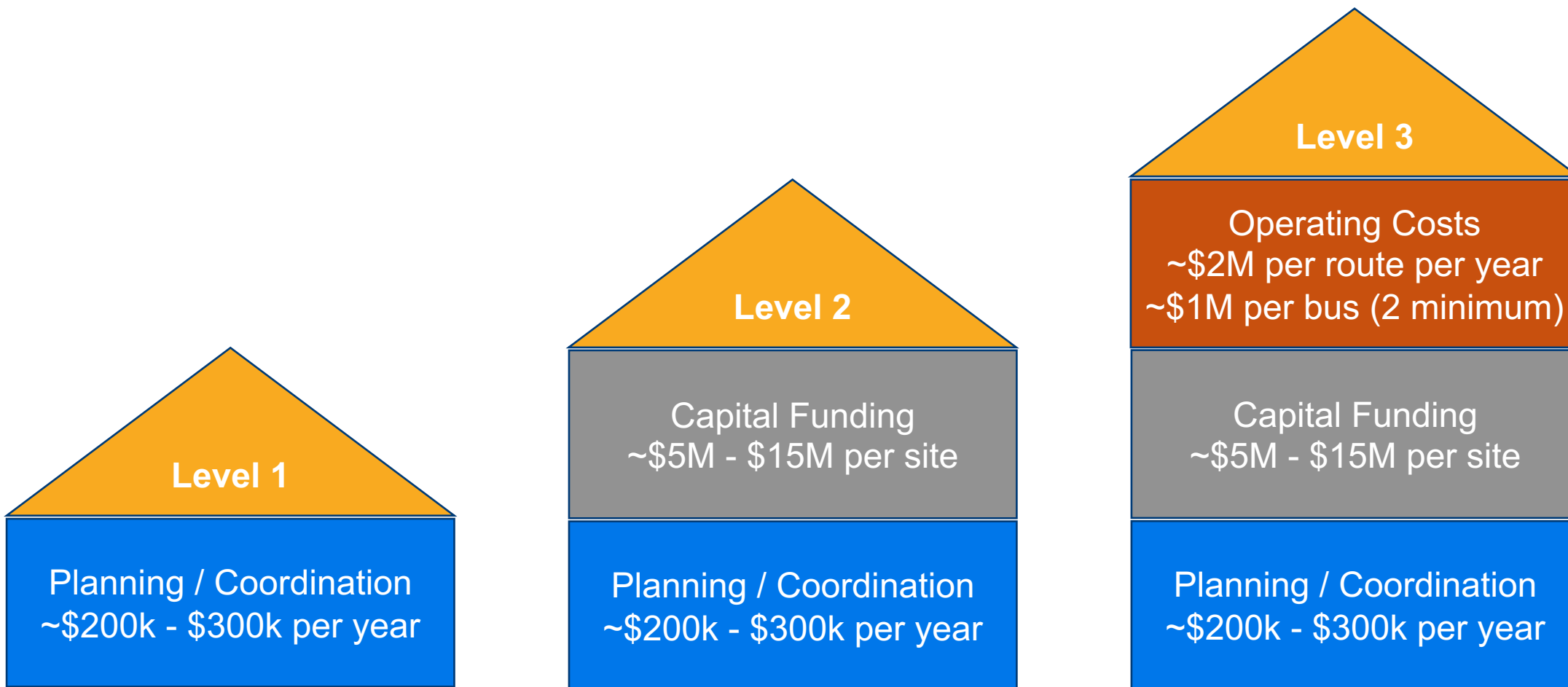
Park and Ride Locations



- Memorandum of Agreement (July 2016) – CAMPO, Cap Metro, and Mobility Authority
 - Identify / develop a program of Park and Ride facilities along Mobility Authority corridors
- Benefits:
 - Increases capacity, reduces congestion, improves air quality, reduces fuel consumption, provides equity of access
- Identified new locations and future needs to expand existing sites
- Near term opportunities
 - Eastside Bus Plaza
 - Howard Station
 - MoPac South



Potential Levels of Mobility Authority Involvement



Toll Authority & Transit Partnership Case Studies



Toll Authority	Phase of Park and Ride and/or Transit Project Development					
	Planning	Design	Funding	Acquisition	Construction	Operation
Miami-Dade Expressway Authority	X	X		X	X	
Tampa Hillsborough Expressway Authority	X					
Bay Area Toll Authority/Bay Area Infrastructure Financing Authority			X			
Santa Clara Valley Transportation Authority	X	X	X	X	X	X
Golden Gate Bridge, Highway and Transportation District	X	X	X	X	X	X
Illinois State Toll Highway Authority	X	X		X	X	
Virginia Department of Transportation	X		X			
State Road and Tollway Authority (SRTA) / Georgia Regional Transportation Authority (GRTA)	X	X	X	X	X	X



- 1. What is the level of Park and Ride Program Support to be provided by the Mobility Authority?**
 - a) Could include planning, design, construction management, construction funding and/or facility operations and maintenance
 - b) Potential funding sources: CAMPO call for projects, Regional Infrastructure Fund, tied to development of a related Mobility Authority capital project, grants
 - c) Capital Projects could be identified and approved as part of annual budget and Capital Improvement Plan (CIP)

Mike Heiligenstein, Executive Director

VII. Strategic Initiatives

A. Park and Ride Program

B. Mobility Authority membership

Why Bring in New RMA Counties?



- **Regional** Mobility is our Scope
- Rapid growth has spurred economic expansion and the region's transportation networks are extending further into adjoining Counties
- RMA is adding capacity smartly, connecting people to where they live and work.
- Origin/Destination (OD) indicates our facilities are attracting users well beyond Williamson and Travis Counties
 - 290E
 - Manor 23%; Elgin 15%
 - 71 E
 - Bastrop 23%; Cedar Creek 16%; and 10% from Hays, Comal, and Lee Counties
 - 79 Entry to 130
 - Milam and Lee County 5%

Why Bring in New RMA Members?



1. Why would a County want to join the RMA?
 - Insights from Presentation to Hays Commissioner Court (is there interest; feedback; concerns)
2. Our facilities are serving customer base well beyond Williamson and Travis Counties; with 45SW on board and preparations to expand 290E, is now a good time to consider new RMA Counties?
3. What are the key considerations/factors to consider when bringing in new RMA Counties?
 - Planning and funding for future roadway projects
 - Member fees...should additional counties provide funding?
 - Number of seats offered (% of open facilities or new/future)
 - Customer Base
 - Non-tolled production

Steps for a County to join CTRMA



- Commissioner's Court takes such action as necessary to authorize discussions with Travis and Williamson County regarding conditions of expansion/joining CTRMA
- Travis and Williamson County's Commissioners Court must both agree on a process for appointing additional Member(s) from the County to the CTRMA Board in consultation with CTRMA Board/Staff
- The process must require the joining County's Commissioners Court to appoint at least one member to the CTRMA Board
- The joining County Commissioners Court requests the CTRMA Board to approve the joining County's addition to CTRMA
- The CTRMA Board must vote to approve the addition of the joining County to the Central Texas Regional Mobility Authority
- The joining County's Commissioners Court must then petition the Texas Transportation Commission (TTC) to approve the addition
- Once the joining County is approved by the TTC, the joining County's Commissioners Court will appoint a new Member(s) to the CTRMA Board following the process previously agreed to by Travis and Williamson Counties
- If the process results in an even number of Board Members, the Governor appoints an additional Board Member to maintain an odd number on the Board



- 1. Should CTRMA be open to new Counties?**
- 2. Do you have direction to the Executive Director?**

VIII. Board Input/Direction

- A. Approach to Toll Collection and discuss Toll Tag Usage**
- B. Actions requiring a Board determination**
 - *Review Current list of Board Decision items**
- C. Future topics and/or next workshop**

Jeff Dailey, Deputy Executive Director

VIII. Board Input/Direction

- A. Approach to Toll Collection and Discuss Toll Tag Usage
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- **Deliver on Commitments to Our Customers and Our Investors** – We are committed to serving our region for decades to come, and seek to ensure the long-term viability of the agency through smart business practices and efficient delivery
 - Increase toll tag penetration among toll road users to decrease costs to the consumer
 - Develop, implement and measure exceptional customer service practices and procedures

Background



- In 2004 TxDOT began developing TxTag program
- 183A opened in 2007 with a hybrid toll collection system
 - Cashless all-electronic toll gantries at Lakeline
 - Mainline toll plaza with open road tolling and cash booths at Park Street
 - Traditional ramp plazas at Brush Creek with coin baskets
- Initial TxTag penetration 76%



Impetus for Going Cashless



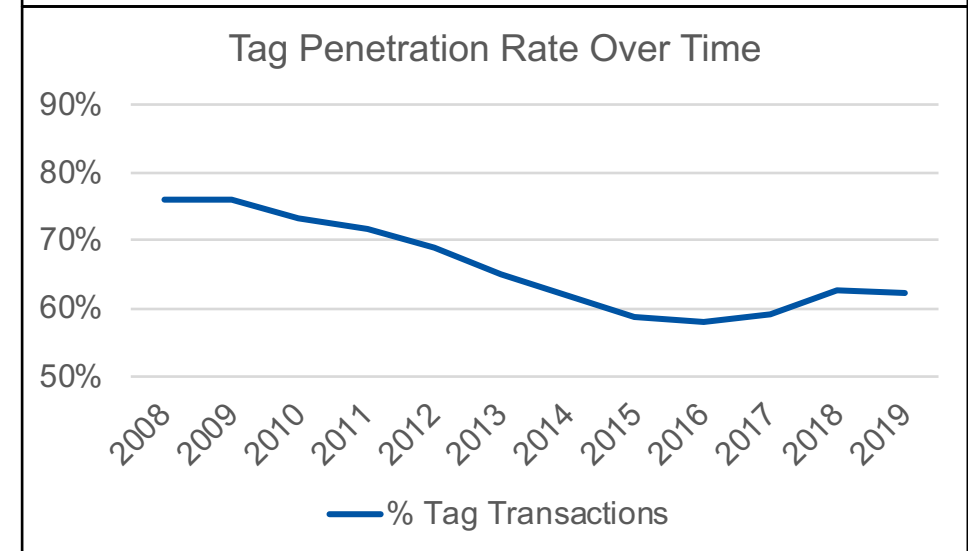
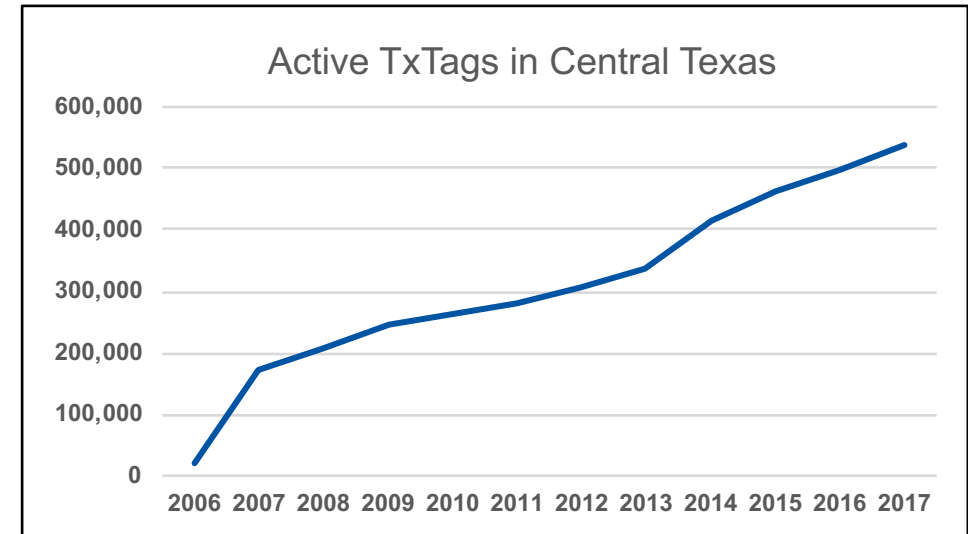
- Lower cost to build and operate
- No stopping and improved safety
- Enhanced customer experience
- Reduced vehicle emissions
- Reduced fuel consumption



The Post Cashless World



- Traffic and revenue robust
- Opened several new roads
- Tag usage rate steadily declined
 - 76% down to 62%
- Pay-by-Mail use increased
- Payment rates met expectations
 - Industry wide challenges with DMV data, out of state vehicles, habitual violators, and enforcement



Payment Initiatives



Goal: Improve customer convenience, reduce revenue risk and increase collections

- **Increase prepaid accounts (Toll Tag or Pay By Mail)** - Promotional programs using website, social media, direct mail, print, billboards, and customer incentive programs
- **Encourage third party payment provider options** - BancPass, PlusPass, PayTollo/Sirius, Verra Mobility/PlatePass,
- **Enhanced customer service payment options** – Pay By Mail bills sent by email, pre-registered Pay By Mail accounts, retail locations
- **National Interoperability** – one transponder / account works across US



PIKEPASS™

bancpass
pluspass



- **Emphasis on collecting unpaid tolls**
 - Blocking vehicle registrations
 - Pursuing out of state collection
 - Filing additional Justice of Peace court cases
 - Using skip tracing and other tools to make sure vehicle owners get their toll bills and violation notices
 - Considering creation of Administrative Court to process more cases
- **Implementing Habitual Violator program (more than 100 unpaid tolls)**
 - Publish names of vehicle owners
 - Ban vehicles from Mobility Authority toll roads
 - Targeted on-road enforcement with real-time license plate capture
 - Law enforcement ticketing drivers with authority to impound vehicles

Operational Initiatives



- **System enhancements** - roadside and back office enhancements, increased maintenance and oversight services
- **Regional/National interoperability**
 - Central US (Texas, Oklahoma, Kansas, Colorado)
 - Regional Connectivity (Central US, Southern US, CA, EZ Pass)
- **Legislative** - increase access to customer data to enhance customer service
- **Coordination with TxTag** - marketing, co-locate customer service center, uniform business rules/operating procedures, retail outlets



Board Discussion - Direction



- 1. Is there any other background information you would like about the evolution to cashless tolling and where the industry is headed?**
- 2. Do you have questions about our current approach to toll collection and enforcement?**
- 3. Are there any changes or enhancements you would like us to consider?**

Mike Heiligenstein, Executive Director

VIII. Board Input/Direction

- A. Approach to Toll Collection and Discuss Toll Tag Usage
- B. Actions Requiring a Board Determination**
 - *Review Current list of Board Decision Items**
- C. Future Topics and/or Next Workshop

Current List of Board Decision Items



- A. Establishing Agency Policies & Procedures (Mobility Authority Policy Code)
- B. Appointing the Executive Director
- C. Adopting the Strategic Plan and Annual Report
- D. Determining Projects to Develop
- E. Setting Toll Policy
 - i. Toll Rates (initial setting and annual escalation)
 - ii. Toll Differential (Pay by Mail)
 - iii. Toll Exemptions (Veterans)
 - iv. Toll Enforcement (Habitual Violator and Fees)
- F. Establishing the Board Cash Reserve Policy and Debt Service Reserves
- G. Approving the Annual Operating Budget
- I. Approve the Agency's Investment Policy
- J. Approving all debt issuances
 - i. Parameters resolution
 - ii. Broker Dealers
 - iii. Underwriters
- K. Approve contracts > \$50k
- L. Approve contract for Auditor; Approve Audit
- M. Set Agency Legislative Agenda
- N. NEPA Process – Project Funding

Board Discussion - Direction



- 1. Does the Board want to revise any steps of the process leading up to these decision points?**

VIII. Board Input/Direction

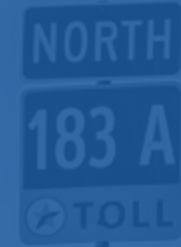
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Other Topics for Discussion or Future Consideration



- Annual Audit/Annual Operating Budget – changes to process?
- Staffing Model (GEC/CTRMA staffing)
- Non-tolled transportation projects development
- Workforce Development
- Mobility Innovation/Future Technology Infrastructure (future ready)
- Different business lines permitted by statute (Utilities, Trails, Airports, etc.)
- Corporate Structure of the Agency - Succession planning for key positions, employee retention
- Regional Infrastructure Fund (reimbursement schedule to CAMPO)

IX. Closing Remarks



A blue-tinted photograph of a highway. On the right side, there is a signpost with three signs: 'NORTH', '183 A', and a 'TOLL' sign with a circular arrow icon. The road has a concrete barrier on the right and a grassy shoulder. In the background, there are utility poles and a large building on the left.

X. Opportunity for public comment



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY
