

Texas Transportation Forum

Future of Transportation Financing



Presentation by Joseph R. Krier

Greater SA Chamber President/CEO

June 9, 2006

San Antonio

Congestion: Contributing Factors

- **1 million new residents by 2030**
- **75 percent growth in employment by 2030**
- **Toyota plant and 22 on-site suppliers**
- **Int. Trade – 50 percent of export/import traffic with Mexico flows through region**
- **IH 35 truck traffic growing 15%/year**
- **BRAC – 14,000 new employees – Ft. Sam**

San Antonio Funding Gap

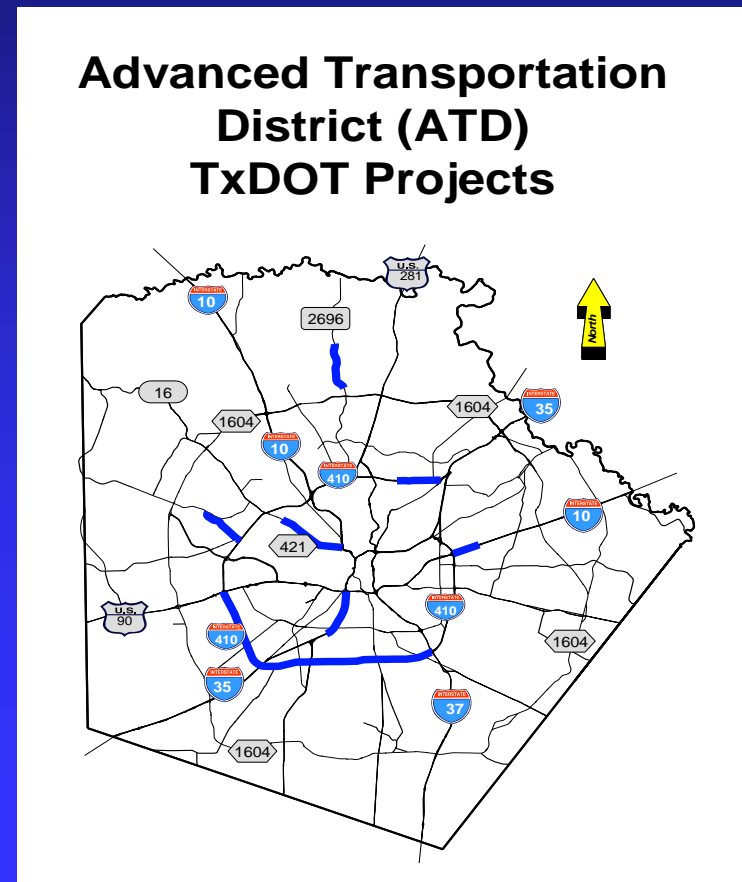
- \$8.4 B funding gap for congestion relief – highways and major arterials
- \$8.5 B additional needed to rehabilitate existing network

- 16.9 B total funding gap to 2030

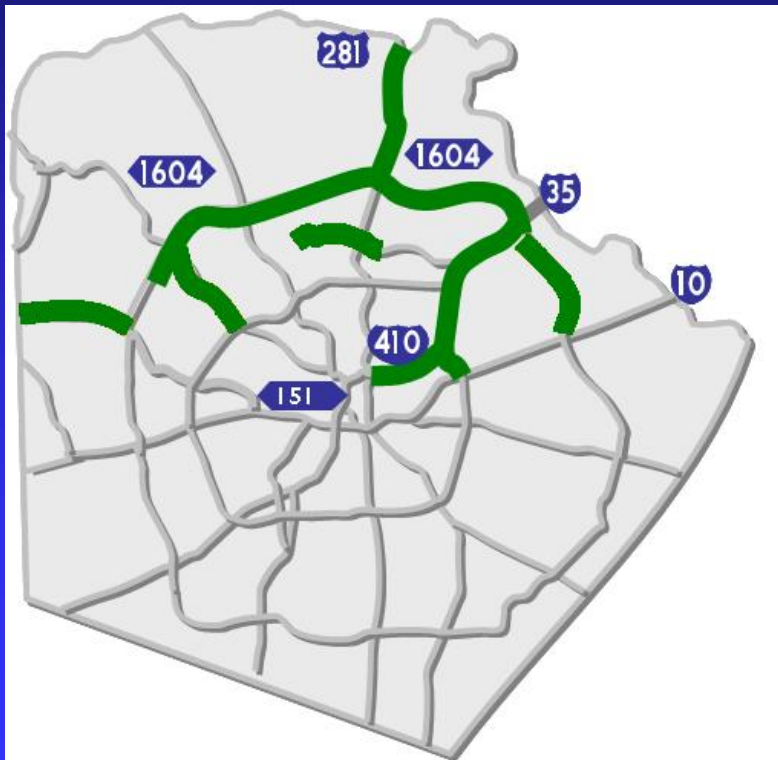
Even more needed for local street network.

Advanced Transportation District

- \$34 million in new annual funding
- Approved by voters in November 2004
- Leverage additional street, transit, and highway improvements
- ½ for VIA
- ¼ for City
- ¼ TxDOT leverage
- 8 major highway projects being accelerated 3-11 years
- 4 projects to be let in 2006 (along IH 35, IH 410, IH 10)

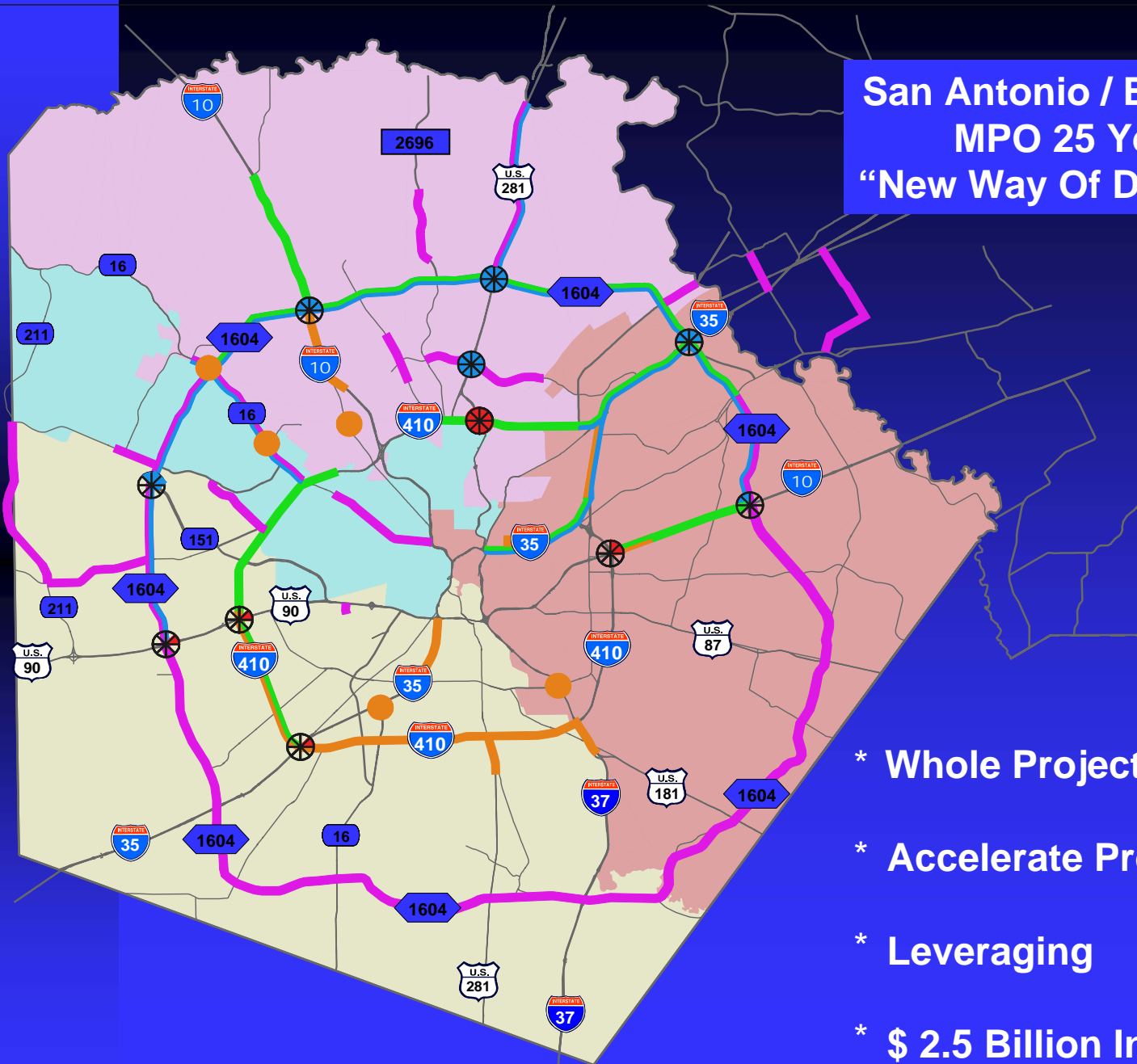


TxDOT/AlamoRMA – Proposed Toll Lane System



- Partnering with TxDOT on evaluation of CDA proposals for added capacity tolled lanes along Loop 1604 and US 281
- Alamo RMA is initiating financing and engineering plans for added capacity tolled lane projects along:
 - IH 35
 - SH 16
 - US 281/ Wurzbach Parkway Interchange

San Antonio / Bexar County MPO 25 Year Plan "New Way Of Doing Things"



- * Whole Project Construction
- * Accelerate Projects
- * Leveraging
- * \$ 2.5 Billion In First 10 Years

Transportation Finance Committee

- Created under Senate Bill 1713
- Nine members
- Will conduct hearings and study public policy implications relating to the financing of transportation projects
- Will review the state motor fuels tax, current sources of funding for rail, and other financing options for all modes of transportation
- The Commission will issue a report by December 1, 2006

Transportation Finance Committee Members

- Sen. John Carona, Joint Chair
- Rep. Mike Krusee, Joint Chair
- Rep. Warren Chisum
- Judge Robert Eckels
- Commissioner Ted Houghton, Jr.
- Senator “Eddie” Lucio
- William Madden
- Michael Stevens
- Joseph R. Krier

Texas Choices

NON TOLL OPTION

- *If we do nothing, inflation drives up the ultimate cost of doing something to add highway capacity.*
- *If we do nothing, our existing infrastructure will deteriorate further as more vehicles tear up our roads.*
- *If we do nothing, by 2014, we will have no money to increase the capacity of our highways, as the cost to maintain our roads skyrockets.*
- *If we do nothing, the funding gap to build needed capacity widens to \$258 billion because of inflation and the increased cost to maintain our roads.*

Texas Choices

GAS TAX OPTION

- *A gas tax of \$1.40 will generate enough revenue to pay for all the identified improvements to our highway system by 2030.*

Texas Choices

DEBT OPTION

- *We have the authority to bond up to \$3 billion of the State Highway Fund which would allow us to accelerate up to \$1 billion of currently planned projects per year.*
- *We will be able to avoid the inflation cost of building these projects now rather than later.*
- *However, in future years, we will have less money to spend on new capacity since we will be paying a debt service of \$4.8 billion on payments from future gas tax revenues.*

Texas Choices

DEBT OPTION (Cont.)

- *In order to cover this gap, we'd have to raise the gas tax 9 cents in 2009 and increase it continually until 2030 when it is increased by \$1.83, and then return to 9 cents in 2050. On average the gas tax increase would be 96 cents.*

Texas Choices

TXDOT OPTION

- *The approach the commission has taken to close the gap uses the time-tested principles of free market economics, competition, and consumer choice.*
- *We will issue bonds backed by toll revenue to build and maintain new capacity on our highway system.*
- *We will give Texans the option to choose whether or not they want to get to work and get home faster.*

Texas Choices

TXDOT OPTION (Cont.)

- *We have already identified \$25 billion in toll projects to help bridge the \$86 billion gap.*
- *During the next 25 years as population increases, we will identify additional toll projects to fund the remaining gap.*

Texas Transportation Forum

Future of Transportation Financing



Presentation by Joseph R. Krier

Greater SA Chamber President/CEO

June 9, 2006