Research Project Statement

Fiscal Year: 2005  Project Statement Date: December 18, 2003

Project Number: 0-5030  RMC Number: 2

Title: Developing a Workable Financing Structure to Meet Texas Transportation Demand

Developed By: TAP

<table>
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<tbody>
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Program Coordinator (PC)  
Project Directorate (PD)  
Project Advisors (PAs) – Optional

Duration (# of years): 

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<tr>
<th>Total Budget: $</th>
<th>First Year FY $</th>
<th>Second Year FY $</th>
<th>Additional FYs FY $</th>
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Project Description: Problem Statement:

A recent study commissioned by the Transportation Committee of the Governor’s Business Council indicates that the financial needs necessary to simply maintain present levels of congestion in Texas’ major urban areas over the next 25 years will be almost $40 billion more than is expected to be available given current revenue trends (Texas’ Roadways – Texas’ Future: A Look at the Next 25 Years of Roadway Supply, Demand, Cost Benefits). The cost to actually improve mobility levels is even greater. The aggregate need at the local level is likely to be greater still. New partnerships and strategies must be developed and formalized. Finally, there must be a specific framework established in which the strategies can be financed, partnerships implemented, and projects assessed and prioritized.

Research Objective:

There are several dimensions to the issue at hand.

1. The supply and demand for transportation system elements (roadway and transit) were identified and their implications examined in the Governor’s Business Council Study as were forecasts of revenues under the current state financing structure. Also identified were aggregate construction and maintenance costs necessary to both maintain and to improve mobility levels.
2. There have been other studies completed that have examined potential innovative sources of finance.
3. With the enactment of HB 3588, TxDOT and local governments now have additional mechanisms to enhance mobility, and to develop and improve infrastructure. HB 3588 creates new financing tools to generate the funding required to maintain an efficient and effective transportation system. These include the use of bonds to generate immediate cash flow, mechanisms for funding the Texas mobility fund, and an increase in fines and fees levied for traffic violations. Additional cash flow will also be generated by increased reliance on toll roads, both those funded by tolls paid by motorists and those built by local authorities and funded over time by the state (pass through tolls).

Given the State’s growing mobility needs, coupled with the wide ranging options and new opportunities created by HB 3588, an actual financing plan and an implementation process needs to be developed that is sufficient in magnitude and scope to meet the anticipated demand.
This research will provide four fundamental elements toward that end:

1.) Develop a workable financing plan sufficient to meet mobility goals (TxDOT currently has work underway, with the cooperation of major MPOs, to adopt a uniform measure of congestion to assist in prioritizing projects assessing improvement).
2.) Provide recommendations with regard to specific changes necessary to meet revenue demands at the state level. These changes should be within the context of existing statutory and constitutional requirements.
3.) Design a workable plan that allows local and regional authorities to work in concert with TxDOT to implement and finance transportation improvements.
4.) Provide recommendations necessary to facilitate state/regional/local cooperation both with regard to finance and shared project responsibility. These changes should be within the context of existing statutory and constitutional requirements.

**Deliverable Products and Reports:**

- **Product P1** – A financing plan with an implementation process to meet the State’s mobility needs (20-year horizon). The plan will take into account any of the identified, and agreed upon recommendations necessary to meet revenue demands at the state level. The plan will also include recommendations for increasing state/regional/local cooperation with regard to finance and shared project responsibility.
- **Product P2**: Power Point presentation (with speaker notes) that highlights the plan and recommendations. This product will be used by TxDOT as an educational tool for RMAs, local and regional governments, as well as the public and State elected officials.
- **Product P3** – Executive summary of key findings to be used as an informational brochure. The summary should be in color, printed on high quality paper, and utilize graphs and illustrations to present findings so as to be readily understood by the general public.
- **R1. Research report**
- **PSR Project Summary Report**

**Implementation:**

The focus of this entire research effort must be to produce a series of actionable items. The magnitude of the problem has been assessed. Ways to fund potential solutions have been identified. A method of measuring and assessing progress is being developed. This effort is focused on delivering an implementable plan to TxDOT for delivery that provides not only the necessary funding and but also an efficient system of state/regional/local cooperation and authority.

**Pre-proposal Meeting:**

☑ Yes ☐ No TBD. Contact Program Coordinator for the specific information on time, date, and location.

**Sole Source Justification, if applicable:**

**Additional Information:**

**Proposal Submission:**

- Proposals are required to be submitted in both hard copy (4 copies) and PDF format (1 PDF file per proposal). Both formats are used within TxDOT for evaluating the proposals and **must** contain identical information.
- The “Background and Significance” portion of the proposal should be limited to 10 pages.
- All proposals from researchers should be sent directly to your university’s Research Liaison for submission to RTI. The Research Liaison is TxDOT’s official contact with the university.

1. All individuals interested in proposing are encouraged to contact the PC or PD by February 12, 2004.
2. Proposals are due to RTI by 4:00 p.m. CST on March 24, 2004.

**Deadlines (for RTI use only):**