

CENTRAL TEXAS
REGIONAL MOBILITY AUTHORITY

IT'S TIME TO GET MOVING

2017
ANNUAL REPORT
and Financial Statements



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

A MESSAGE FROM THE CHAIRMAN

RAY WILKERSON



The Chairman is a founder and board member of the HeartGift Foundation, which has provided heart surgery for more than 353 children from 34 countries.

Did you know

The Central Texas region continues to evolve as one of our nation's strongest economies. With all the amenities and opportunities available, it's no surprise that Austin consistently ranks at the top of Forbes's annual list of best cities for jobs, as well as other quality of life indicators. Our region is attracting large numbers of college graduates, families with young children, and others pursuing the prospect of a better future. Growing demand for our already overburdened transportation network means we must implement innovative mobility solutions if we are to preserve our high quality of life. After all, it's our job to keep you connected to everything you love about our region.

It's time to get Central Texas moving.

We are delivering on our commitment to you, Central Texas. While our staff of experts work to bring our vision of greater mobility to life, we remain focused on meeting the needs of tomorrow to ensure that we are building new ways to get you to your destination.

In 2017, we opened the northbound and southbound MoPac Express Lanes, offering commuters the reliable bypass route for which they have long awaited. We also completed construction of the 71 Toll Lane in partnership with TxDOT, which is now serving as an alternate route for SH 71 commuters traveling eastward from Austin-Bergstrom International Airport. These alternate routes are already exceeding traffic and revenue projections, demonstrating just how strong the demand is for reliable travel options.

Additionally, our projects in active construction made significant progress this year. Construction of the eight-mile 183 South Project in east Austin has reached 33% completion. Further to the south, the SH 45SW project is on track for a 2019 opening following a federal court ruling that validated the environmental study process for the SH 45SW and MoPac South projects.

We're proud to be a local agency that invests in Central Texas. All toll revenue generated from Mobility Authority toll roads stays local and is reinvested in the region.

I would be remiss if I didn't express my gratitude for Jim Mills and Bob Bennett, Jr., two dedicated and original board members, for their tenure with our board of directors. They truly built the legacy of this organization.

Here at the Mobility Authority, we like to think of ourselves as problem solvers. And our region's problem, simply put, is traffic congestion. We're developing ways to move people and commerce more effectively and efficiently. We know your time is valuable and that you would rather spend it doing the things that fuel your lives. That's what we want too.

A handwritten signature in black ink that reads "Ray Wilkerson". The signature is fluid and cursive, written in a professional style.

Here at the Mobility Authority, **getting you moving is what keeps us going.** We are passionate about connecting Central Texans to everything they love, and our dedicated team works day and night to achieve that goal. Our holistic approach considers the needs of drivers, cyclists, and pedestrians; encourages the use of transit; optimizes our existing roadway network; and implements projects to create the infrastructure that is so critical to keeping our vibrant region moving.

But, a growing region means a growing funding gap, and the disparity between the transportation funding allocated by our legislature and the demand for our roadways makes tolling an effective option to keep us moving. Tolling as a means to deliver infrastructure in an expedited manner garners significant public attention. With that buzz comes misconceptions, and in the wake of the 85th Legislative session, our mobility is further limited due to reactive legislation passed by lawmakers.

Our mobility reality is that there are no free roads; there are only toll roads and tax-supported roads. The main difference between the two is that you only pay for a toll road when you choose to drive on it, while all taxpayers contribute to tax-supported roadways – even the ones they never use. Our daily reality is that we are all paying the price when mobility barriers drive our life decisions. Traffic congestion might cause us to turn down a higher-paying job or choose a costlier daycare center. This compromises our quality of life and incurs financial costs, only without providing a solution to the mobility problem. Toll roads allow us to take back that control and decide whether any given trip is worth the cost of the toll.

The good news is that the Mobility Authority continues to implement meaningful mobility solutions to get you to your destination faster. Our toll facilities open to traffic today are exceeding projections, showing just how much Central Texans value their time. In fact, our roadway system recently hit a significant milestone. During the month of October 2017, transactions on I83A Toll, 290 Toll, and 71 Toll Lane collectively reached 8 million total transactions. This is the proof that tells us our projects under construction and in development will also carry regional significance for tomorrow’s commuters.

It’s time to decide what mobility means to us, Central Texas. We live amidst some of the most breathtaking green spaces in one of the most dynamic local economies in the nation. The amenities and entertainment options are endless, attracting new residents daily. We cannot afford to let worsening traffic congestion further impact our ability to enjoy all that our region has to offer.

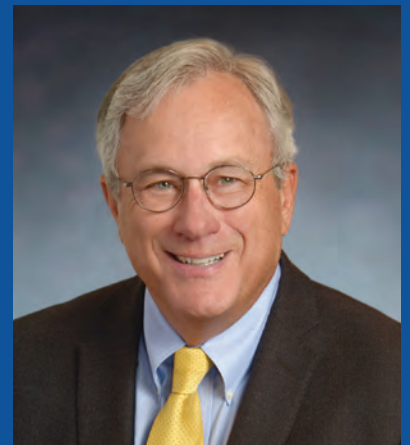
It’s time to choose mobility; **it’s time to get Central Texas moving.**



Mike served as an elected official in Williamson County for 23 years and has been leading regional efforts to expand water, wastewater, and transportation infrastructure for nearly 40 years. In his current role, his efforts continue at an executive policy level.

A MESSAGE FROM THE EXECUTIVE DIRECTOR

MIKE HEILIGENSTEIN



▶ IT'S TIME TO GET MOVING

We are driven to get you where you want to be — spending time doing the things that jump-start your lives instead of staring at brake lights. So, we wanted to know, to really know, how transportation impacts your quality of life. Through extensive research, we found the two are linked more closely than you might think.

CENTRAL TEXANS ♥ CENTRAL TEXAS

How residents define quality of life in Central Texas:

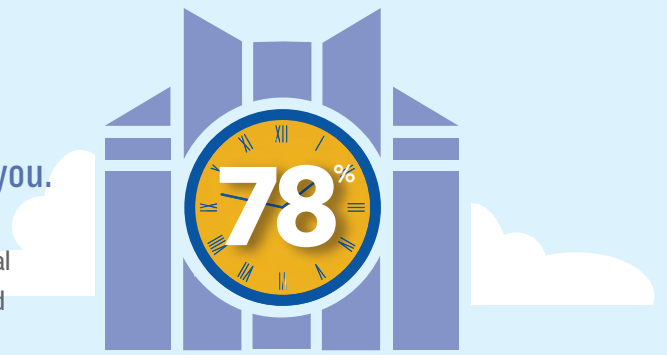
Peace HAPPINESS
LEISURE TIME **Safety** Cost of Living
Health FINANCIAL SECURITY
Comfortable Living **Affordable**
WORK/LIFE BALANCE **Housing**
FOOD



▶ WE'RE LISTENING

Central Texans have spoken, and we heard you. You value time.

That's why we're working around the clock to implement multi-modal transportation solutions that equate to less time spent in traffic and more time spent doing the things you love.



BELIEVE MORE TIME would IMPROVE their **QUALITY OF LIFE**

QUALITY OF LIFE IS IMPORTANT



say **TRAFFIC CONGESTION** in Central Texas has had a **NEGATIVE IMPACT** on their quality of life



believe **LESS TIME IN TRAFFIC** would **GREATLY IMPROVE** their quality of life

TRANSPORTATION IS CRITICAL



ACCESS IS A NECESSITY



► BRIDGING COMMUNITIES

We're in a unique position.

It is our mission to enhance the quality of life for Central Texans through transportation options that get you where you want to be. We work hand-in-hand with our local partners and the community throughout all phases of a project, beginning long before a single blade of grass is disturbed and continuing after drivers cruise the fresh pavement. As the congested regional roadway network makes it increasingly difficult to access employers, affordable housing, quality healthcare, and other services, it is essential that we do our jobs and do them well.

Our flexible financing approaches allows us to take all available funding and turn dollars into solutions.

While political priorities shift over time, the need for mobility improvements — and the money needed to pay for them — only increases.

It's important that we evolve by adjusting the way we do business and how we engage our customers. We're determined to be at the cutting edge of technology and new initiatives.

We know that thoughtful and strategic collaboration brings results and much-needed congestion relief to Central Texas. Teaming with our local partners, we strive to make this growing region livable and accessible for years to come.

Did you know

We are the driving force behind preserving and enhancing quality of life in Central Texas as we **EVOLVE** with the changing regional landscape, **ENGAGE** with the communities we serve, and **PROTECT** the environment we all share.



71 TOLL LANE

Did you know

183A Toll has significantly improved travel times and reduced traffic on adjacent non-toll roadways, including US 183.



**183A
TOLL**

Did you know

During peak hours, 53% of traffic on US 290 chooses to travel 290 Toll.



**290
TOLL**

BUILDING A FOUNDATION

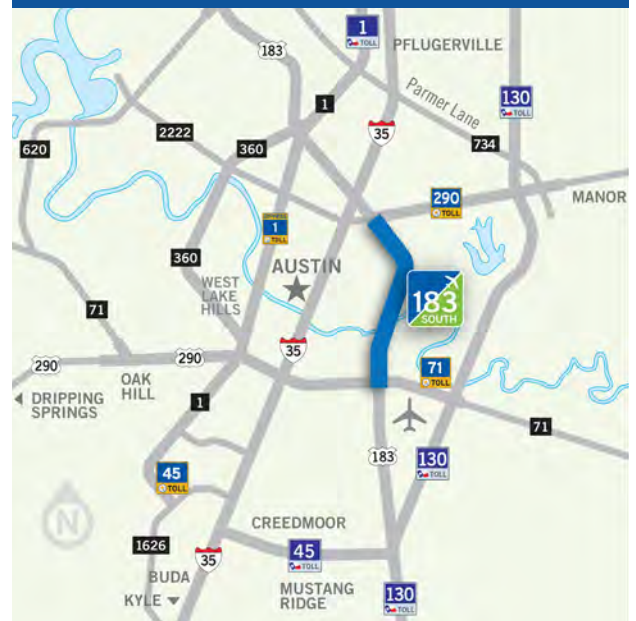


At the Mobility Authority, we've built significant roadways, but nothing compares to the size and the scope of the \$743M I83 South project. And it's not just **the largest roadway project our region has seen since SH 130, it's also the largest project implemented by a local entity since the Austin-Bergstrom International Airport.**

That's a big deal.

Traveling through the corridor now, you can see that immense progress has been made to transform US 183 into an efficient route for neighbors, businesses, commuters, and those heading to and from the airport. We're building new lanes for tolled and non-tolled travel, as well as adding bike lanes and shared use paths for those on bike and on foot.

183 SOUTH



But we're not just on the ground; we're underground too. Just as we are expanding the footprint of the current roadway, our crews are rebuilding and renovating the outdated utility infrastructure across the corridor, including water and wastewater lines. This new foundation will serve east Austin for decades to come.

Did you know

The project will include enough new pavement to construct a single 96-mile lane that could cover the distance between Austin and San Antonio.



183 SOUTH

TEAMING UP WITH TREEFOLKS TO EXPAND OUR TREE CANOPY

As an agency focused on sustainability in transportation, we aim to strike a balance between developing critical infrastructure improvements and preserving the natural resources that make us proud to call Central Texas home. As part of that commitment, we are a longtime sponsor of TreeFolks, a Central Texas nonprofit committed to community tree planting and education efforts. We are proud to continue supporting the meaningful work they do to expand our urban tree canopy in Central Texas.

In 2017, we partnered with TreeFolks and a major employer along the I83 South corridor—NXP—to sponsor the installation of an irrigation system at Norman Elementary School, located near the project corridor. We held a community tree planting event where students, project team members, and NXP employees planted shade and fruit trees and spread mulch, improving the future tree canopy for the school.

Next year, we anticipate working with additional partners to continue bringing the TreeFolks vision to life.



Did you know

When open to traffic, a trip on the entire eight-mile I83 South Toll will cost less than \$3 for electronic toll tag customers, and even less for shorter trips.



**I83
SOUTH**

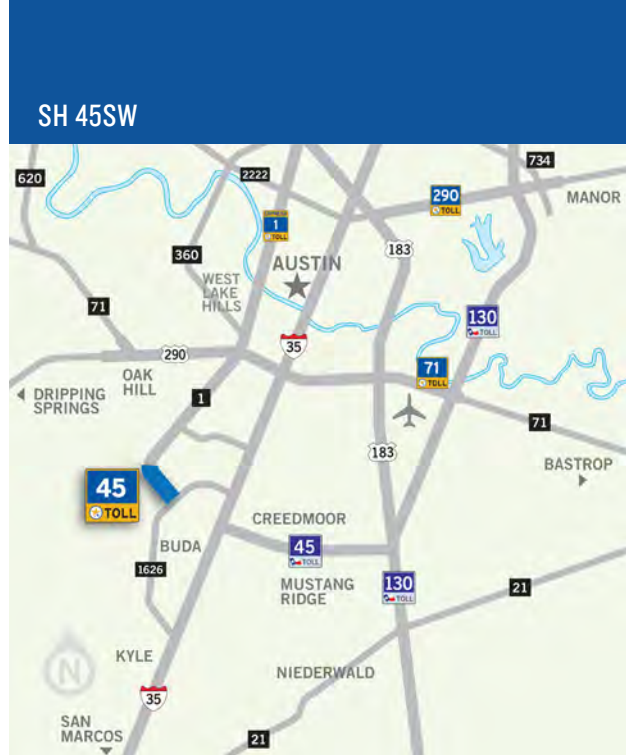
MINDFUL MOMENTUM



Construction on SH 45SW in northern Hays and southern Travis counties continues, along with our extensive efforts to ensure environmental sensitivity and regulatory compliance. We live amid beautiful settings of clean waters and natural resources, and we are proud to protect the environment we all share.

When open to traffic in 2019, SH 45SW will provide immediate relief to drivers in the area – both those commuting to work and those in their local neighborhoods. SH 45SW will serve as an alternative to neighborhood streets like Manchaca Road, Slaughter Lane, and Brodie Lane. As such, local residents will see a reduction in cut-through traffic as well as less congestion on their local roads. Drivers who choose the new roadway can expect to save between nine and 17 minutes, depending on their specific route, when compared with local routes to reach Central Austin. **The benefits of SH 45SW will also extend to non-tolled travel. Drivers who continue to use local roads will shave six to seven minutes off current travel times.**

In addition to improved mobility, the project includes extensive water quality protection measures and new bicycle and pedestrian facilities.



Did you know When open to traffic, SH 45SW will reduce current hours commuting by 18%, equating to \$12.4M per year in savings for drivers.

Did you know SH 45SW will feature all native plantings to enhance the wildlife habitat and aesthetics of the roadway.



▶ EXCEEDING EXPECTATIONS

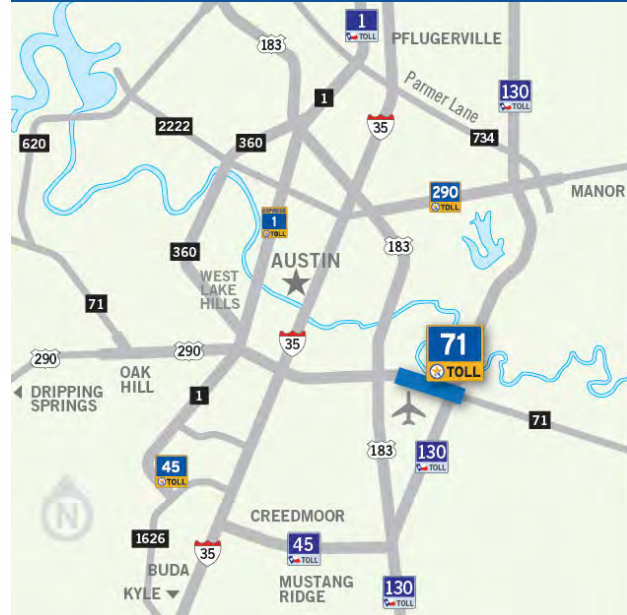


In February 2017, we opened the 71 Toll Lane, providing a reliable bypass route for through-traffic in the SH 71 corridor. This project connects communities with commerce and closes the gap between affordable housing and employment centers.

The new lane in each direction is a great example of how we are leveraging existing corridors to affect real change on our Central Texas roadways. Drivers have a choice to take this toll lane when being late is simply not an option. With transactions 43% above projections for the first year, more and more drivers are experiencing the benefits of reliable travel through a congested corridor.

Collaboration is at the heart of the Mobility Authority culture, and our partnership with TxDOT to deliver this project demonstrates the success of an interagency team.

71 TOLL LANE



Did you know The 71 Toll Lane is estimated to reduce travel times by 54% by 2026.

Did you know The 71 Toll Lane shared use path will connect to the I83 South shared use path, providing greater mobility for bicyclists and pedestrians in east Austin.



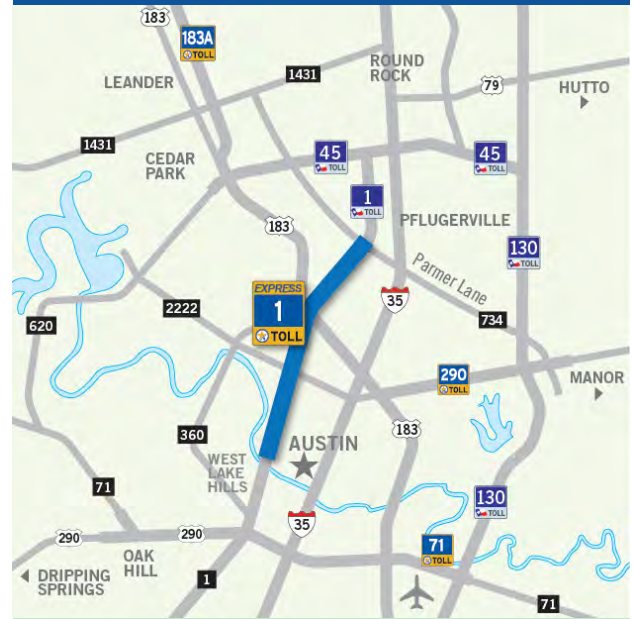
▶ FINAL FINISHES



The wait is over, Central Texas. Commuters are finally able to take back their time spent stuck in traffic. This year, we opened the full northbound and southbound MoPac Express Lane, and drivers immediately realized the time-savings benefits of this new option to bypass congestion. **This is the first-of-its-kind congestion management tool to be introduced in the Austin area.**

This project was developed to address congestion on one of Austin's most notoriously congested corridors, as our region's other north-south facilities have reached or are nearing capacity. Working within the constraints of a tight urban corridor, with no opportunity to acquire additional right of way, this project turned out to be quite an undertaking. With Camp Mabry on the west side, residences on the east side, and the Union Pacific Railroad in the center median, we had to think outside the box to design this expansion project within the roadway's existing footprint.

Admittedly, we encountered challenges more complicated than we anticipated. Unmarked utilities, harder than expected bedrock, and a worker shortage all led to delays. But we used every tool in our toolbox to get the project opened to traffic as quickly as possible.



Toyotas, Chevrolets, and Fords accounted for 40% of vehicles in the Express Lane in October 2017, while only 3% were Lexus vehicles.

October 2017 usage analysis showed that 61% of drivers used the northbound MoPac Express Lane only once. This demonstrates that most drivers use the lane only when they need it most, as projected.

We know it's been a long time coming. **We appreciate the patience of the travelling public as we worked to bring reliability to historically unpredictable commutes.** In the coming months, we will put the final finishes on this project, such as completing the sound walls and adding landscaping.



Did you know

During the first 30 days after opening the full northbound MoPac Express Lane, analysis showed drivers traveled an average of 27 mph faster than those in the general purpose lanes during the afternoon rush hour.



Did you know

MoPac carries more than 180,000 cars and trucks each day. By 2035, MoPac is projected to serve more than 294,000 cars a day.



TRUE TRANSPARENCY

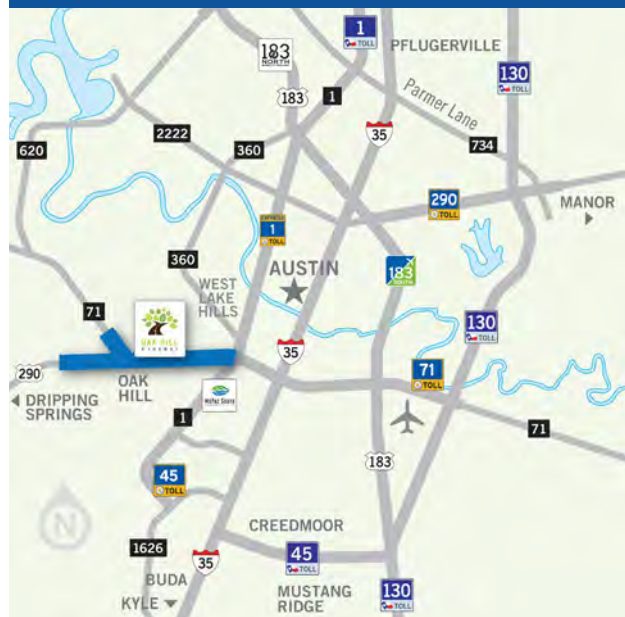
Projects Under Environmental Study

Committed to protect the environment we all share, we balance the need for new infrastructure with environmental sensitivity.

Our project teams have initiated comprehensive environmental studies for three critical mobility improvement projects: MoPac South, Oak Hill Parkway, and I83A Phase III. These project teams are thoroughly analyzing each corridor and determining the best approach to meet mobility needs. Each study will identify a full range of alternatives, and through extensive analysis and community outreach, identify a recommended solution tailored to the corridor and community values.

The Mobility Authority truly believes communities make projects better. **We are committed to robust and proactive outreach programs that drill down deep to identify stakeholder issues and continue collaborative conversations to best resolve them.** In the community and online, we strive to ensure a transparent process and true, two-way communication.

OAK HILL PARKWAY



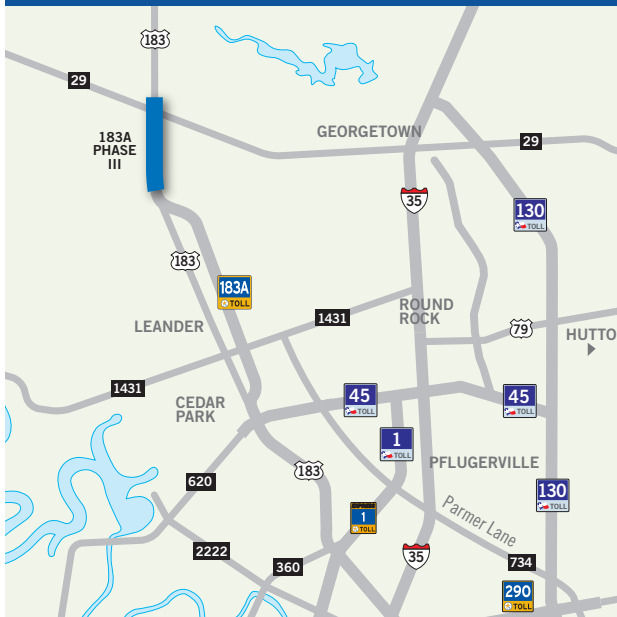
Proposal to add three tolled lanes in each direction and upgrade the existing non-tolled general purpose lanes along approximately four miles of US 290 and one mile of SH 71 in southwest Austin; includes flyovers at US 290 and SH 71.



Public input prompted significant design adjustments to the proposed Oak Hill Parkway throughout the study period.

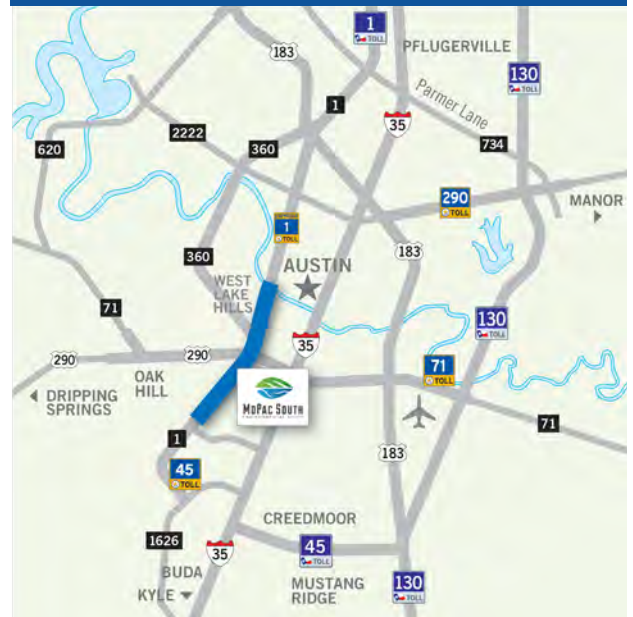


183A PHASE III



Proposal to add two to three tolled lanes in each direction as a five-mile extension of I83A Toll northward to SH 29.

MOPAC SOUTH



Proposal to add one to two variably-priced express lanes in each direction along eight miles of MoPac south of downtown.

Did you know

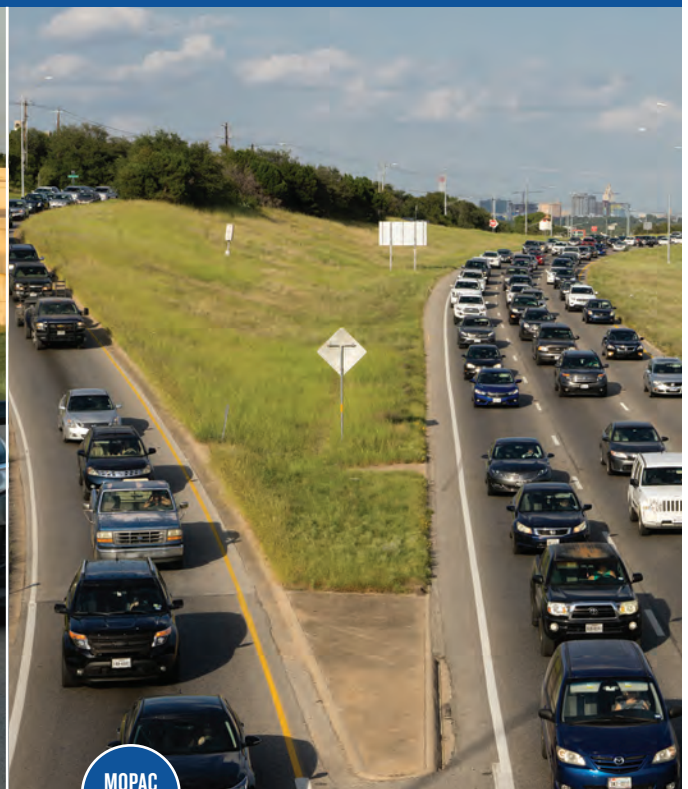
The future I83A extension accommodates the new Austin Community College campus, St. David's Hospital, and other new economic development in the area.

Did you know

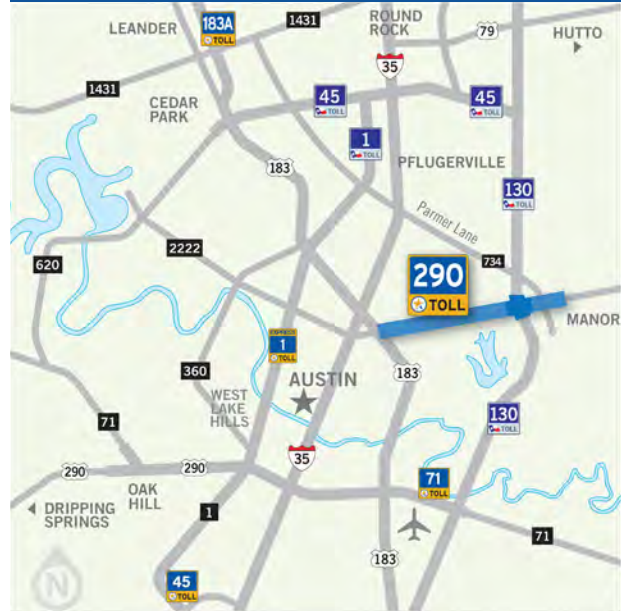
If we do nothing to address congestion on MoPac South, drivers could spend an additional 35 minutes traveling the corridor by 2035.



I83A PHASE III



MOPAC SOUTH



This project will add up to three new direct connector bridges, or flyovers, between SH 130 and 290 Toll, and it will be designed and constructed by the Mobility Authority. This project will benefit all drivers; not just the ones who choose to pay a toll. It will free up capacity at the non-tolled frontage road intersection below the direct connectors, and all drivers will enjoy travel time savings when the project is complete.

A TALE OF TWO ROADWAYS

290 Toll / SH 130 Direct Connectors Project

Our current and future roadway network connects communities across Austin, and in the coming years, the Mobility Authority is moving on up. In the pipeline for construction is a unique mobility project that will provide a safe and efficient link for drivers of two heavily traveled toll facilities: the Mobility Authority's 290 Toll and TxDOT's SH 130 Toll.



Did you know

The project will attract up to 5,000 vehicles per day from parallel facilities providing ancillary congestion relief to other non-toll corridors.



290 TOLL
SH 130

► MOBILIZING THE TRUTH

With a diverse set of mobility needs to serve, **tolling is merely one piece of the funding puzzle**; a tool by which more timely infrastructure expansion is made possible. Tolling garners the most public attention, and with that attention comes some common misconceptions.

WE'D LIKE TO TAKE THE OPPORTUNITY TO PROVIDE SOME CLARITY AND SEPARATE FACT FROM FICTION:

MYTH Tolling a road is a double tax on drivers.

TRUTH Taxes are mandatory. Tolls are a user fee that drivers pay when they make the choice to drive on toll roads. Courts have long ago established the distinction between tolls and taxes.

MYTH We've already paid for the roads.

TRUTH Gas taxes are not enough to meet the need for improvements on existing and future corridors, and the cost of road maintenance over time is greater than the initial cost of building the road.

MYTH There is plenty of money from Propositions 1 and 7 to pay for new roads.

TRUTH While it's a great tool in the funding toolbox, the new money authorized by the Texas Legislature through Propositions 1 and 7 will not cover the great statewide funding need Texas has for mobility improvements.

MYTH You're converting my non-tolled highway to a tolled highway.

TRUTH Under state law, we cannot and will not convert non-tolled lanes to tolled lanes.

MYTH There is no public support for toll roads in Central Texas.

TRUTH We continue to see an increase in drivers and travel time savings on our tolled roadways as well as an increase in those using toll tags.

Until the legislature allocates sufficient public funding for all our infrastructure needs, **toll financing helps to meet the evolving mobility demands of the traveling public.**

▶ INNOVATIVE INITIATIVES

The Mobility Authority is setting Central Texas in motion in more ways than one. It's inherent to our mission that we look beyond the pavement when considering the mobility and safety improvements that are right for our region. **We are committed to not only being good neighbors to the communities we serve, but thoughtful stewards of our environment as well.**

CURRENT INITIATIVES AND PROGRAMS INCLUDE:

GOOD NEIGHBOR PROGRAM

As a proactive force in the communities we serve, the Mobility Authority engages with and supports local neighborhoods, groups, businesses, and schools as well as holds community appreciation events to thank residents for their patience during construction.

COMMUTE SOLUTIONS

Working with local partners, the Mobility Authority assists a regional program to promote better commuting practices, such as helping commuters find carpools and transit opportunities.

GREEN MOBILITY INITIATIVE

With a heightened focus on environmental sensitivity, our efforts extend to incorporating sustainable design principles into transportation projects and tirelessly working to protect the environment as we construct our roadway network.

BICYCLE/PEDESTRIAN ENHANCEMENTS

The Mobility Authority builds multi-modal, and pedestrian- and bicyclist-friendly facilities like shared use paths, sidewalks, and cross-street connections as part of every project whenever feasible.

WRONG WAY LOWERED SIGNS INITIATIVE

As a forward-thinking safety measure, the Mobility Authority lowered “wrong way” and “do not enter” signs along our corridors to improve visibility and reduce the incidence of wrong way driving.

WORKFORCE INITIATIVE

A new program in development, the Workforce Initiative strives to connect underserved populations with job training and construction jobs in the region.

WAZE CONNECTED CITIZENS PROGRAM

We are in discussions with Google to collaborate on a program to integrate traffic management centers. We would provide information about our roadways, including road closures, accidents, and any unusual incident in the corridor to Waze, a community-based traffic navigation app.

INDUSTRY RELATIONS

As a thought leader in Central Texas transportation, the Mobility Authority continues to connect with the international tolling industry at multiple industry conferences in order to stay at the forefront of best practices.



2017 FINANCIAL STATEMENTS

The Mobility Authority's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) as applied to government units on an accrual basis. To view the audited Financial Statements and Management Discussion and Analysis, please visit: www.MobilityAuthority.com/financials.


**Did you
know**

The Texas A&M Transportation Institute cited the Mobility Authority as the standard for transparency and accountability by which other regional mobility authorities in Texas should strive to follow.

▶ CONDENSED SCHEDULE OF NET POSITION

(In Thousands of Dollars)

June 30, 2017

2017

CURRENT ASSETS	\$	204,850
RESTRICTED ASSETS		309,229
PENSION ASSET		355
CAPITAL ASSETS		1,491,482
TOTAL ASSETS		2,005,916
DEFERRED OUTFLOWS OF RESOURCES		109,742
TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		2,115,658
TOTAL LIABILITIES		1,480,216
DEFERRED INFLOWS OF RESOURCES		286
TOTAL LIABILITIES AND DEFERRED INFLOWS OF RESOURCES		1,480,502
NET POSITION:		
INVESTED IN CAPITAL ASSETS		436,282
RESTRICTED FOR OTHER PURPOSES		141,068
UNRESTRICTED		57,806
TOTAL NET POSITION		635,156
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION	\$	2,115,658

▶ CONDENSED SCHEDULE OF REVENUE, EXPENSES AND CHANGES IN NET POSITION

(In Thousands of Dollars)

Year Ended June 30, 2017

2017

REVENUES:

TOLL REVENUE	\$	75,651
GRANT PROCEEDS AND OTHER OPERATING REVENUES		1,569
TOTAL REVENUES		<u>77,220</u>

EXPENSES:

ADMINISTRATION		20,501
PROFESSIONAL SERVICES		2,371
DEPRECIATION AND AMORTIZATION		22,099
TOTAL EXPENSES		<u>44,971</u>

OPERATING INCOME		32,249
TOTAL NET NONOPERATING REVENUE (EXPENSES)		<u>(32,461)</u>

CHANGE IN NET POSITION—

BEFORE CAPITAL GRANTS AND CONTRIBUTIONS		(212)
CAPITAL GRANTS AND CONTRIBUTIONS		168,608
CHANGE IN NET POSITION		<u>168,396</u>

TOTAL NET POSITION AT BEGINNING OF YEAR		466,760
TOTAL NET POSITION AT END OF YEAR	\$	<u><u>635,156</u></u>

▶ CONDENSED SCHEDULE OF CASH FLOWS

Year Ended June 30, 2017

2017

NET CASH FLOWS FROM OPERATING ACTIVITIES	\$ 54,023,568
NET CASH FLOWS BY (USED IN) CAPITAL AND RELATED FINANCING ACTIVITIES	(109,485,497)
NET CASH FLOWS USED IN INVESTING ACTIVITIES	(68,927,849)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENT	(124,389,778)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	325,650,552
CASH AND CASH EQUIVALENTS AT END OF YEAR	\$ 201,260,774

Did you know

TxDOT provided a risk assessment regarding our operations and our score was a healthy "A" almost entirely across the board.

▶ BOARD OF DIRECTORS

Ray A. Wilkerson
CHAIRMAN
Gubernatorial Appointment

Nikelle S. Meade
VICE CHAIRMAN
Appointed by Travis County

David Singleton
TREASURER
Appointed by Williamson County

Charles Heimsath
SECRETARY
Appointed by Travis County

David B. Armbrust
Appointed by Travis County

Amy Ellsworth
Appointed by Williamson County

Mark Ayotte
Appointed by Williamson County

FOND FAREWELLS

In 2017, the tenure of two dedicated and original board members, Jim Mills and Bob Bennett, Jr., came to a close. Jim, president of the Rivercrest Group in Georgetown, served on the board since the agency's inception in 2002; and Bob, former Round Rock city manager, served since 2003. We thank them for their dedicated service to the Central Texas Regional Mobility Authority and the residents of Central Texas. Jim was instrumental in the genesis of the 290 Toll/SH 130 Direct Connectors project, and Bob headed the audit committee and budget review during his tenure.



▲ JIM MILLS



▲ BOB BENNETT, JR.



The governor appoints the chairman, and the commissioners courts for both Travis and Williamson counties each appoint three members to serve on the board.

NEW BEGINNINGS

Amy Ellsworth and Mark Ayotte joined us this year as our new members of the board of directors. Amy is the general manager for Community Impact Newspaper, and Mark served as the senior operations manager at Dell. Both were appointed to their respective positions by the Williamson County Commissioner's Court to serve two-year terms.

“Amy’s diverse experience and Mark’s expertise will bring a unique perspective to our agency’s mission. Each will be an invaluable asset to the makeup of our organization.”

— Chairman Ray A. Wilkerson



Did you know

We build more than just roads; we build mobility solutions that help preserve and protect our quality of life.



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

3300 N. IH-35, Suite 300 • Austin, TX 78705
www.MobilityAuthority.com