



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

April 25, 2018
AGENDA ITEM #8

Executive Director Board Report

Strategic Plan Relevance: Regional Mobility
Department: Executive
Contact: Mike Heiligenstein, Executive Director
Associated Costs: N/A
Funding Source: N/A
Action Requested: Briefing and Board Discussion Only

Executive Director Board Report

- A. Discount for qualified veterans
- B. April 18, 2018 House Transportation Committee Hearing
- C. 2018 Mobility Authority Strategic Plan
- D. Mobility Authority Fiscal Year 2019 Operating Budget

Backup Provided: A. Presentation only - Discount for qualified veterans.
B. House Committee on Transportation – Funding and
Transparency Testimony Documents.
C. Mobility Authority Strategic Plan – 2016 and 2018 Draft.

BACKUP

- B. April 18, 2018 House Transportation Committee
Hearing



CENTRAL TEXAS REGIONAL
MOBILITY AUTHORITY

**Invited Testimony of Mike Heiligenstein, Executive Director,
Central Texas Regional Mobility Authority
Before the
House Committee on Transportation**

Interim Charge: Study the efficacy of existing transportation finance mechanisms from state, regional, and local perspectives. Identify opportunities to improve existing transportation finance mechanisms and investigate the feasibility of developing new ones.

Texas State Capital
Committee Hearing Room E2.016
Austin, Texas
April 18, 2018

My name is Mike Heiligenstein and I am the Executive Director of the Central Texas Regional Mobility Authority (CTRMA), formed in 2002 to improve the transportation system in Williamson and Travis counties. Our mission is to implement innovative, multi-modal transportation solutions that reduce congestion and enhance quality of life and economic vitality.

I appreciate the opportunity to testify before the House Committee on Transportation. My testimony, which addresses the interim charge to study transportation finance mechanisms, is set forth below.

OVERVIEW

The CTRMA is a local agency, governed by a seven-member board of directors responsible for setting policies, identifying priority projects, and ensuring the agency is operated in an efficient and effective manner. We operate under the Texas Transportation Code Chapter 370 and are authorized to issue revenue bonds to fund projects and can utilize user fees and/or taxes to fund operations and repay bonds.

The authorization of regional mobility authorities was a response to the transportation funding crisis in our state. The Central Texas region has infrastructure needs that far exceed what can be developed using available taxpayer funds. In order to meet local needs, our local agency develops transportation solutions using tolling as a funding mechanism when called upon by CAMPO to implement projects that are part of the region's Long-Range Transportation Plan

and/or Transportation Improvement Program (TIP). Our position is that decisions about which projects to toll should be left to regional planning bodies composed of local officials and local agencies.

Our region continues to experience massive population growth. In fact, according to the U.S. Bureau of the Census, Population Estimates, Williamson County population is projected to grow by 200% between 2020 and 2050, and Travis County population is expected to grow by 57% in the same timeframe. Hays County is also experiencing rapid growth, and is expected to grow by 23% between 2020 and 2050. We need quality infrastructure in order to move people and goods efficiently, and our quality of life ultimately depends on our ability to continue making strides toward infrastructure improvements in our region.

In order to keep pace with that growth, we must have access to every tool in the transportation funding tool box. It's more important than ever that we have the ability to leverage effective partnerships between public agencies and even the private sector in order to meet the challenge of funding mobility improvements. Regional mobility authorities present partnership opportunities between the state and its local partners to meet local transportation needs. When we build a project, the benefits of that inter-agency coordination extend beyond the immediate benefits of added tolled capacity. Such projects include enhanced non-tolled lanes, shared use paths and other bicycle/pedestrian accommodations.

PRIVATE FUNDING MECHANISMS

There are a number of financing tools in the transportation funding tool box. Access to these financing mechanisms is critical when traditional funding is not available to build the projects our region needs. The Texas Legislature took a critical step by passing Propositions 1 and 7 to provide additional transportation funding. While these funds have helped, they not sufficient to meet the region's needs. Funds allocated to the Central Texas region, including funds from Propositions 1 and 7, total only \$1.6 billion over the next 10 years. That's far less than half the cost of I-35 improvements alone, which are estimated to cost \$5 billion.

Credit market: We turn to the credit market as the most common financing mechanism when we finance a toll project. We sell bonds to investors, and pay back those bonds using toll revenue. This user-fee based financing mechanism allows the roads to be paid for by those who use them, which differs from taxpayer-funded roadways, which are paid for by all taxpayers, even those who never use the road.

There is extensive oversight when it comes to bond financing; our agency is responsible for following bond covenants on all aspects of the projects, and we are required to report back to bondholders on the condition of the asset with an annual report of conditions. This helps investors track the condition of their investment, and ensures that the facilities are maintained and preserved in a manner consistent with the bond covenants, and to a standard that meets the needs of the traveling public.

The RMA has established a solid reputation for creditworthiness among rating agencies and investors. As a result, there is high demand for our bonds. In fact, the bonds for our 183 South project were oversold 10-1, which equates to a high vote of confidence from the financial community.

Bank Loans: Another financing option is traditional bank loans, in which, the RMA assumes all of the risk in order to cover the loan. Short term solution to fund projects prior to bond sale.

Private placement loans: This type of financing expands the pool of capital available.

Private/Public Partnerships (P3s)/Comprehensive Development Agreements(CDAs): P3s are agreements in which private sector companies provide some funding of a project. The benefit is in the risk structure; the private company assumes the risk by paying the upfront costs to build a project and then gets paid back with user fees over time. An example of this model is segments 5 & 6 of SH 130. Cintra took on the risk of project development and toll revenue projections.

CDAs, do not always mean concessions. The CTRMA has used CDAs for 183A, 290 East, 183 South, and MoPac, none of which were concessions, but rather design-build delivery. The CTRMA financed the project while the contractor took on risk of design and construction.

FEDERAL FINANCE PROGRAMS

There are a number of financing options available through the federal government that we utilize when seeking project funding. These include the following:

- **Transportation Infrastructure Finance and Innovation Act (TIFIA):** This federal government program is administered through the United States Department of Transportation (USDOT) to provide credit assistance for qualified regional and national surface transportation projects in the United States. Projects include highways, city passenger railways, some freight rail, intermodal freight transfer facilities, and some port terminal projects. The program was recently reauthorized in the Fixing America's Surface Transportation (FAST) Act of 2015, a bill passed by Congress to reauthorize surface transportation programs through FY 2020. The CTRMA used TIFIA to help fund the 183 South and 183A Phase I projects.
- **Infrastructure For Rebuilding America (INFRA) Grants:** This federal grant program is administered by the USDOT. However, the RMA needs approval from the Texas Department of Transportation (TxDOT) in order to even submit a project application. The chances of getting funding through this program are low, and we have to work in conjunction with TxDOT to maximize approval chances. Local access to this program would improve our ability to deliver infrastructure.
- **Private activity bonds** (Trump administration infrastructure plan): These provide private developers and operators with access to tax-exempt interest rates and lowers the cost of capital significantly, enhancing investment prospects. Increasing the involvement of

private investors in highway and freight projects generates new sources of money, ideas, and efficiency.

STATE FINANCE PROGRAMS

Financing options available through the state government include the following:

- **State Infrastructure Bank (SIB) Loans:** While SIB Loans provide some flexibility when negotiating the repayment terms with the state, the interest rate is not as favorable as TIFIA. In addition, the project in question must be a part of the state highway system. The CTRMA has used this funding mechanism on the 290 East and 183 South projects.
- **State Highway Fund Loans:** The CTRMA received a loan from the state highway fund for the 183 South and 45SW projects. A loan of \$30 million was applied to 183 South, and a loan of \$60 million was applied to SH 45SW.
- **Texas Mobility Fund (TMF):** The TMF may be used to provide participation by TxDOT in the payment of all or a portion of the costs of constructing and providing publicly-owned toll roads and other public transportation projects. Bonds and other obligations of the TMF issued to-date are secured by a first lien interest in certain revenues of the TMF, and they are also general obligations of the State secured by the full faith and credit of the State.

COUNTY AND LOCAL FINANCE PROGRAMS

- **Regional Infrastructure Fund:** This is administered through CAMPO. We used this program on the MoPac Improvement Project, whereby the RMA was loaned money by CAMPO, and will use toll revenue to repay the loan over an extended period of time. The repaid funds, including principle and interest, are applied to other regional projects, at the discretion of CAMPO.
- **County Financing:** Counties finance projects such as the Elroy and Ross Road safety projects, whereby Travis County funds the entire project, while the RMA develops and constructs it through existing contracts. This allows expedited delivery of critical infrastructure.
- **Local Contributions:** Counties can contribute cash or right-of-way (ROW) to CTRMA projects. For example, Hays and Travis counties each provided cash contributions to the SH 45SW project; and Williamson County purchased and contributed all ROW for the 183A project.

OTHER ALTERNATIVE FUNDING OPTIONS

In addition to the private, federal, state and local funding options discussed, the following are additional potential finance mechanisms:

- Consider increasing vehicle registration fees.

- Increase or index the state gas tax, which has not seen an increase since 1991. Using some consumer index to determine the rate of increase would help ensure the gas tax retains some purchasing power.
- Consider a mileage-based fee or a road user charge such as Vehicle Miles Traveled (VMT), an alternative to the gas tax to overcome the funding challenges posed by more fuel-efficient and electric vehicle usage. This approach would likely require a significant educational outreach program and public opinion surveys to gather public input on modifying this long-standing approach to funding.
- Freight-related taxes/fees: A separate matrix provides surface transportation revenue options and associated revenues collected.
- Value Capture: Cover a portion of the costs from landowners/developers who benefit from the resulting increase in value from Tax Incremented Financing (TIF)
- Transportation Reinvestment Zones (TRZ): While these models have been used in the Valley and in El Paso seemingly well, they don't seem to be widely accepted by all regions/local governments as best practice. Potential limitations include the requirement that the proposed zone must be deemed underdeveloped. The Austin community might not look favorably upon these, since they lock in the incremental increase on the tax base.
- Special Purpose Vehicle (SPV): TxDOT has the ability to implement SPVs, whereby a joint venture is set up with the private sector. This legal entity is a funding structure, by which all investors are pooled together into a single entity. RMAs do not have the ability to establish an SPV. However, if legislation were changed, we could issue stock as part of a joint venture with private companies and then issue to local constituents, thereby creating more of a local interest.

RECOMMENDATIONS

While a variety of private, federal, state, and local funding mechanisms are available, none of these programs individually are the single answer to solve our transportation funding crisis. Rather, the funding needs of this state can only be met through implementation of a variety of these funding options as well as modifications to make existing options more viable for the projects we need. It is critical for RMAs to have consistency from the state on programs and other funding options in order to implement effective long-term planning for project development.

It is also critical that we align state policy with national infrastructure planning so that we are prepared to take advantage when federal monies become available for infrastructure projects. The CTRMA has a history of acting quickly when options are made available to us so we can put funding immediately into use. For example, a share of the "economic stimulus" funds under the American Recovery and Reinvestment Act of 2009 went towards the 290 Toll project. Should similar opportunities arise in the future, we must be positioned to take advantage. We are currently at a disadvantage with other states because we are restricted from entering into P3s and CDAs. This not only limits our options for providing infrastructure, but it also increases our reliance on public funds.



CENTRAL TEXAS REGIONAL
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Interim Charge: Study Texas' various toll authorities and evaluate their transparency and stakeholder responsiveness. Make recommendations to improve the state oversight of toll authorities.

My name is Mike Heiligenstein and I am the Executive Director of the Central Texas Regional Mobility Authority (CTRMA), formed in 2002 to improve the transportation system in Williamson and Travis counties and thus, Central Texas. Our mission is to implement innovative, multi-modal transportation solutions that reduce congestion and enhance quality of life and economic vitality.

I appreciate the opportunity to testify before the House Committee on Transportation. My testimony, which addresses the interim charge to evaluate the transparency and stakeholder responsiveness of regional mobility authorities, is set forth below.

TRANSPARENCY OF REGIONAL MOBILITY AUTHORITIES

With the support and guidance of Travis and Williamson counties, and in collaboration with regional partners, the CTRMA has evolved as envisioned by the Texas Legislature more than a decade ago. Amidst a transportation funding crisis, the agency has delivered critically-needed infrastructure for Central Texas in an efficient and cost-effective manner. We currently have four projects open to traffic and two under construction, none of which would have been possible without our commitment to transparency.

Transparency is one of our agency's core values. We are committed to open, honest and fair business practices; visibility into our processes; and accessibility of information to the general public. Credibility and accountability are also woven in the fabric our culture as an agency. We are fiscally responsible and follow through on commitments to our board of directors, investors, customers, community, and partners. We work to earn and sustain public trust through dependable public service, two-way communication, partner collaboration, and fair and appropriate solutions.

Aligned with our commitment to transparency and accountability, we go above and beyond the oversight and accountability requirements imposed on regional mobility authorities. We provide the following required documents:

- **Independent and External Audit**, which is required each year. This includes Financial Statements, Supplemental Schedule, and Management Discussion and Analysis.
 - RMAs must provide to public and counties an independent auditor's report each year and make a presentation if requested (Gov't code 2258-023).
- **Single Audit**
 - Required by Federal Government/Basic Financial Statements and Federal Awards Compliance Report.
- **Annual Report with Financial Statements**
 - Required by the TAC to provide to Travis and Williamson counties Commissioners Courts; distributed to a list of approximately 1200 recipients.
- **CAMPO 2040 Regional Transportation Plan**
 - CTRMA can only move forward with projects that have been approved in CAMPO's transportation plans
 - CAMPO Board voted unanimously to approve the CAMPO 2040 Regional Transportation Plan with a vote of 19-0-1 (one member abstained)
- **Annual Continuing Disclosure Report**
 - Prepared by the Mobility Authority; sent to First Southwest Securities; posted on Electronic Municipal Marketing Access.
- **Proposed Operating Budget for each Fiscal year**
 - Adopted by Board of Directors in open meeting.
- **Risk Management Audit** to ensure proper risk protection of all assets and facilities
 - Required by Trustee.
- **Biennial Strategic Plan**
 - Required by the TAC
- **Annual Report of Conditions** that details the overall conditions of roadway maintenance as well as any recommendations of the General Engineering Consultants
 - Required by Trustee and posted on Electronic Municipal Marketing Access.
- **CTRMA System Accuracy Assessment Report** which provides a self-test/evaluation of efficiency of the system
 - Required by RMA.
- **Annual Project Report** to TxDOT Transportation Commission
 - Required by TAC #26.65(b).

- **Detailed Project Expense Reimbursement Process**
 - Required by TxDOT.
- **Individual project audits**
 - Required by TxDOT agreements.

We also provide the following documentation, which goes beyond the requirements of our enabling legislation:

- **Quarterly Reports** to Governor Abbott with copies to local delegation
- **Monthly Project Status and Delivery Reports**
- **Standard & Poor's and Moody's Investor Service** – Ratings update
- **Board of Directors' – Personal Financial Statement Forms**
- **Reports and Testimony** to the Texas Legislature as requested

Our agency website, www.MobilityAuthority.com, is a one-stop-shop for all information about our agency and our projects. We update our site regularly, and recently redesigned the site to make the interface more easily navigable by the public and our customers. Comprehensive information related to our board of directors' meetings is available on our website, and users can watch board meetings via our live streaming functionality. All news releases are archived, and extensive financial and investor information is available to the general public online as well.

STAKEHOLDER RESPONSIVENESS OF REGIONAL MOBILITY AUTHORITIES

Two way-communication with our stakeholders and customers is the foundation of our commitment to the community we serve. Defined by efficiency and responsiveness, our customer service program is fundamental to our operations, in fact, service, is one of our core values.

Customer Service: Our average call wait times are just over two minutes for our Pay By Mail customers, and we pride ourselves on our customer service operations. When we anticipate surges in call volumes due to collection campaigns or a new road being opened, our Pay By Mail team adds more staff to handle the incoming calls. In addition, our Pay By Mail agents are fully trained and prepared to answer most customer questions. However, with more advanced questions, special reports must be generated. These activities take time but answers can usually be provided within 24 hours of the customer's request. All phone calls are recorded and filed for two years.

Here are two examples of positive feedback received from our customers after an interaction with a staff member who assisted them with their concerns.

- "Oh, thank you so much! I greatly appreciate that and will pay the adjusted amount online on the 15th (pay day). Hope you have a great day."
- "Thank you very much for your response and making this process simple. Have a good day."

In addition, we recently selected a new Pay By Mail billing vendor to enhance our customer service offerings and improve our billing operations. These efforts include:

- Offering Pay By Mail accounts to facilitate our interactions with the customer
- Providing a new and improved Pay By Mail website
- Transitioning from a 15-day to 30-day billing cycle
 - Customers have long been confused by our 15-day billing cycle. We believe a 30-day billing cycle will be more user friendly for our customers.

Public Involvement: Long before our roads are open to traffic we stand by our commitment to the community. Public involvement has always been a priority and has resulted in greater public support of CTRMA projects and programs. Our communications team consistently uses the strategy and methods from Hans Bleiker’s Systematic Development of Informed Consent. These efforts go above and beyond the traditional public involvement efforts as required by the National Environmental Policy Act of 1969 and the Texas Administrative Code. The CTRMA considers community outreach to be a key element of project planning, delivery, and operations. Next to funding, public trust can be a project’s greatest asset or its biggest downfall. Our process allows for the understanding and appreciation of community values and strives to incorporate or address these in the evolution of the project.

In closing, I would like to cite an interim report made by the Senate Committee on Transportation to the 85th Legislature in 2016. This report made the following conclusion: “As Texas continues to experience exponential population growth, demand on the state-wide transportation system will only increase. TxDOT’s partnerships with RMAs allow for the advancement of crucial transportation projects based on local needs and priorities. ***Upon review, there seems to be substantial oversight and reporting done by the RMAs.***”

BACKUP

- C. 2018 Mobility Authority Strategic Plan



CENTRAL TEXAS
Regional Mobility Authority

STRATEGIC PLAN 2016



INTRODUCTION

The Central Texas Regional Mobility Authority (Mobility Authority) is authorized by the Texas Legislature under Chapter 370 of the Texas Transportation Code. Formed in 2002 as the State's first regional mobility authority, the Mobility Authority represents the Legislature's vision to give local communities greater flexibility to develop and implement innovative transportation programs. With the support and guidance of Travis and Williamson counties, the Mobility Authority has evolved into a vibrant, agile, highly effective organization with several successful projects under our belt and solid vision for a future of greater mobility.



CENTRAL TEXAS
Regional Mobility Authority



OPEN TO TRAFFIC

The Mobility Authority's first project, 183A Toll, completed in 2007, continues to exceed original traffic and revenue expectations. As a result, the agency invested an additional \$105 million to extend the 183A corridor seven years ahead of original plans. The extension opened to traffic in spring 2012. We are once again setting our sights on the future and exploring plans to further extend the 183A corridor northward from Hero Way to SH 29 as Phase III of the 183A system. The Mobility Authority also invested more than \$426 million on constructing its second project, 290 Toll. Phase I of the project opened to traffic in January 2013 with transactions consistently double the initial estimates. Phase II opened in May 2014, both on time and well within budget, offering greater mobility for both tolled and non-tolled travel.

UNDER CONSTRUCTION

Perhaps the most high-profile project under construction is the MoPac Improvement Project in Central Austin, which will add one Express Lane in each direction on an 11-mile stretch of MoPac between Cesar Chavez Street in downtown Austin and Parmer Lane in north Austin. The northbound north end segment of the Express Lane opened to traffic in October 2016, with transactions continuing to increase. Construction on the remaining sections is ongoing. Looking to the east, the 183 South Project broke ground in April 2016. The first phase of construction is anticipated to be complete in 2019 with the full project expected to open a year later. The \$743 million project will add a new tolled expressway with three lanes in each direction along an eight-mile stretch of US 183 between US 290 and SH 71 while reconstructing and improving the non-tolled general purpose lanes.

In an effort to reconnect northern Hays and southern Travis counties to the greater Austin area, construction of the SH 45SW Project began in November 2016. The 3.6-mile, \$109 million project is expected to open to traffic in late 2019. Answering to demand for greater mobility between Bastrop and Austin, the 71 Toll Lane Project adds a toll lane in each direction along SH 71 from Presidential Boulevard at ABIA eastward to SH 130. Once the road is open to traffic in 2017, the Mobility Authority will assume operation and maintenance.

IN DEVELOPMENT

While we forge ahead with projects under construction, our sights remain focused on the future mobility needs of our region. In partnership with TxDOT, the Oak Hill Parkway Project is nearing the final year of a comprehensive environmental study and will ultimately fall under the Mobility Authority's purview. The agency is also leading the development of the MoPac South Project, as well as the 183 North Project, which received environmental clearance in April 2016 and is currently in the final design stage.

To build upon our previous success and continue to plan strategically for the region's mobility future, we present the following strategic plan, which represents the Mobility Authority's long-term visions, initiatives, goals, and objectives as we continue to evolve as a leading regional mobility provider in the State..

POSITIONING FOR THE FUTURE

Austin is consistently ranked as one of the best places to live in the United States and has experienced tremendous growth in the past two decades. With a vibrant economy, great climate and plentiful cultural and social opportunities, there is no expectation that this will change anytime soon. In fact, Austin was ranked as the fastest-growing large metro area in 2016 and grew nearly 16% over the past five years – and projections show that our area will double in size in the next 30 years. With this level of sustained growth, the region has to anticipate, plan and implement a wide-range of integrated transportation solutions to ensure Central Texas retains the high quality of life currently enjoyed. Mobility is a key component for the region's future.

In addition, it is important to recognize that mobility in general is facing a major transformation in the next 20 years. Not only will there be more people to serve, but every aspect of moving people and goods will change. An increasing percentage of the population will be retired and on fixed incomes. The purchasing power of the gas tax, the primary source of funding for transportation, will continue to diminish. There will be tougher air quality requirements, stricter environmental standards to comply with and significant changes to our carbon-based economy. These are a few examples of factors the Mobility Authority must consider in developing a long-term mobility strategy.

To frame this Strategic Plan, the Mobility Authority will articulate an envisioned future that conveys a concrete, yet unrealized vision for the region's mobility. It will consist of our positioning statement, which represents a clear and compelling catalyst that serves as a focal point for our efforts, and the intersection of what we are passionate about, what we do best, and how we can marshal the resources to accomplish our vision.



CORE IDEOLOGY

Our core ideology consists of two notions: core purpose (our reason for being) and core values (the essential and enduring principles that guide our organization).

CORE PURPOSE

Be the provider of innovative regional mobility solutions in Central Texas.

CORE VALUES

Integrity

Demonstrated by honest communication, transparent transactions, ethical decisions, and forthright behavior.

Accountability

Demonstrated in fiscal responsibility, commitment to our customers and constituents, and collaboration with local and regional partners.

Credibility

Demonstrated in an earned reputation for fairness, dependability, and dedication to public service.

Innovation

Demonstrated in visionary leadership and entrepreneurial spirit.

VISUALIZATION — WHAT DOES FUTURE MOBILITY LOOK LIKE?

POSITIONING STATEMENT

The Central Texas Regional Mobility Authority will be the driving force behind preserving and enhancing quality of life in Central Texas through sustainable mobility solutions. Our visionary leadership across organizations will continue to bring sustainable transportation solutions to our growing region. Our drive to deliver faster, more efficient relief through the flexibility of a robust financial engine and local resources will continue, preserving quality of life for those who call Central Texas home. Our progressive approach to protecting economic vitality will effectively connect communities and commerce, increase access to social opportunities and quality healthcare, and close the gap between affordable housing and employment centers.



We **Evolve** with the changing regional landscape, **Engage** with the communities we serve, and **Protect** the environment we all share.

THE PLAN

The following represents our plan to enable better quality of life in our region, empowered by improved mobility solutions, and the goals and objectives that will get us there.

GOAL

Lead a Unified Regional Approach to Transportation Improvements

We work across organizations to responsibly deliver the infrastructure critical to our region's continued economic vitality by preventing fragmentation, retaining our sense of community, and easing the pains of change associated with rapid and unstructured growth.

Objectives

- Effectively develop a regional transportation network in collaboration with our partner agencies and governments.
- Work closely with elected officials and support the enactment of legislation that ensures flexible options to achieve regional mobility, including funding mechanisms and efficient construction methodologies.
- Lead efforts to increase all levels of funding for regional mobility.
- Continue involvement in regional planning activities with community partners and support initiatives of partner agencies.
- Take a lead role in environmental studies to identify mobility solutions for some of our region's most notoriously congested roadways.
- Advocate for projects critical to our region's mobility future.

GOAL

Deliver Innovative Multi-Modal Mobility Solutions

We will create a modern, multi-modal regional transportation network for Central Texas to expand capacity, reduce congestion, and create transportation options that enhance quality of life and economic vitality.

Objectives

- Execute upon multi-year plans to develop and build out the region's transportation infrastructure, better connecting residents and commuters.
- Take on projects that give Central Texans more reliable travel options and reduced travel times, and deliver them on time and within budget.
- Address continued growth and outward migration within the region by providing new roadway options that connect affordable housing communities to employment centers and other resources.
- Deliver non-tolled and intersection improvement projects to enhance safety and operations at key traffic snarls.
- Make improvements to modernize dated infrastructure when it can no longer keep pace with demand to ensure our communities remain connected rather than divided.
- Incorporate bicycle and pedestrian accommodations such as shared use paths, sidewalks, and bike lanes into our projects to serve a multi-modal traveling public.

GOAL

Improve Mobility Through Efforts that Extend Beyond Roadways

We will continue optimizing our existing overburdened transportation network beyond simply building new capacity via programs and partnerships that enhance travel experiences.

Objectives

- Partner with organizations that provide information and solutions for commuters to best navigate our roadways, such as carpooling programs.
- Partner with organizations that provide information and technology solutions that incentivize adoption of smarter commuting habits.
- Administer roadside assistance programs to keep our roadways safe and free-flowing in the case of an incident.
- Incorporate non-roadway transportation options such as bicycle and pedestrian accommodations to relieve congestion and influence the future of mobility for the region.

GOAL

Embrace Industry Best Practices

We will deliver projects that reflect industry best practices and embrace the technology available to us to achieve our goal of greater regional mobility.

Objectives

- Incorporate smart road technology into our roads for safety and operations.
- Utilize innovative congestion management tools like variable tolling to enhance operations on our roadways.
- Employ mobile applications that promote information sharing and traffic management to make optimal use of existing infrastructure.
- Utilize our Traffic Management Center to monitor our facilities and promote safe and efficient roadway operations through the efficient deployment of resources.
- Continue expansion of toll tag interoperability and increase toll tag penetration among toll road users.
- Consider innovative land use and mitigation options.

GOAL

Balance Infrastructure Improvements with Preservation of the Natural and Human Environment

Our mobility solutions preserve the natural resources that make Central Texas unique while ensuring the continued movement of communities and commerce.

Objectives

- Prioritize sustainable design principles by pursuing GreenRoads® certification for our projects when feasible.
- Incorporate environmentally-sensitive design features into our projects that reduce our overall footprint, such as permeable friction course pavement and other measures to exceed water quality standards.
- Carry forward the 'No-Build Alternative' in the environmental study phase of project development to ensure that all options are thoroughly considered before a single blade of grass is disturbed.
- Engage in partnerships with environmental groups and non-profit organizations whose mission mirror our desire to protect the environment.

GOAL

Provide Sustainable Mobility Options that Respect the Communities We Serve

The Mobility Authority believes communities make projects better and goes above and beyond the requirements of the National Environmental Policy Act during the environmental process and beyond, soliciting public input every step of the way and adjusting project design when reasonable and feasible.

Objectives

- Proactively engage the public in regional transportation issues to ensure we understand their needs and expectations before ground is broken on a project.
- Define, utilize, and advocate for environmentally sound design and construction methods consistent with our community's values.
- Perform thorough reviews of each project, taking the environment, both human and natural, into account when proposing solutions.
- Go above and beyond the minimum National Environmental Policy Act's public involvement requirements.
- Preserve the regional identity of project areas through execution of the Context Sensitive Solutions Process that solicits feedback from affected stakeholders to ensure project design is reflective of their cultural values and aesthetic preferences.

Employ Smart, Effective and Transparent Business Practices

The Mobility Authority will exhibit its core values of integrity, accountability, credibility, and innovation through effective management of the business of enhancing mobility in Central Texas.

Objectives

- Ensure long-term viability of assets and investments through execution of a Master Trust Indenture, which sets forth a detailed plan for roadway maintenance and inspection practices.
- Analyze costs from a long-term sustainability perspective.
- Identify and implement strategies to increase efficiency of roadway, traffic, and toll operations.
- Employ innovative financial strategies to expedite the funding of needed transportation projects.
- Develop and implement exceptional customer service practices and procedures.
- Maintain standards for financial and operations reporting, consistent with the Municipal Securities Rulemaking Board.

2018 Mobility Authority Strategic Plan

INTRODUCTION

The Central Texas Regional Mobility Authority (Mobility Authority) was established by Travis and Williamson counties in 2002 as the state's first regional mobility authority. The agency operates under Chapter 370 of the Transportation Code, representing the Texas Legislature's vision to allow local communities greater flexibility to meet their transportation needs.

Pursuant to Sec. 370.261. of the Transportation Code, the Mobility Authority updates its Strategic Plan on a biennial basis to reflect the agency's priorities for the five succeeding fiscal years. This plan considers the challenges, risks and opportunities facing the regional transportation system in Central Texas and outlines a set of goals and strategies the agency will employ to achieve its vision of greater mobility through sustainable transportation solutions.

MISSION STATEMENT

Our mission is to implement innovative, multi-modal transportation solutions that reduce congestion and create transportation choices that enhance quality of life and economic vitality.

BACKGROUND

The Mobility Authority continues to evolve with the support and guidance of Travis and Williamson counties, and in collaboration with regional partners. Amidst a transportation funding crisis, the agency has delivered critically-needed infrastructure for Central Texas in an efficient and cost-effective manner. The toll facilities owned and operated by the Mobility Authority provide the traveling public with reliable transportation options that enhance quality of life and economic vitality. The emergence of 183A Toll, 290 Toll, the 71 Toll Lane and the MoPac Express Lane has laid the foundation for a comprehensive regional roadway network that will continue to reduce travel times, spur economic development, and bring greater reliability to emergency response times, while reducing air pollution and fuel consumption.

Further expanding mobility options for the traveling public, the agency has established a partnership with Capital Metro whereby Express Buses ride toll-free in the MoPac Express Lane. This partnership has led to increased ridership and new transit routes across the region, while plans are in development for additional Park & Ride facilities to serve Mobility Authority customers. Looking forward, the agency is positioned to expand beyond toll roads. Leveraging our ability to deliver such projects in a faster, more cost-effective manner, we are developing non-tolled projects for Travis County and are exploring the feasibility of further broadening our portfolio to include additional mobility solutions.

ALIGNING WITH THE CENTRAL TEXAS TRANSPORTATION LANDSCAPE

SITUATIONAL ANALYSIS: CHALLENGES, RISKS, OPPORTUNITIES

The Central Texas region continues to evolve as one of our nation's strongest economies, and Austin consistently ranks as one of the best places to live in the United States. With a vibrant economy, great climate and plentiful amenities and opportunities, it's no surprise that Austin was ranked among the top 10 fastest growing U.S. cities by Forbes in 2018.

With population expected to reach three million by 2030, we are faced with the reality that our region is attracting large numbers of college graduates, families with children, and others pursuing the prospect of a better future. In fact, Williamson County population is expected to grow by 200% between 2020 and 2050, and Travis County population is projected to grow by 57% in the same timeframe. And yet the gas tax-supported funding stream dedicated to transportation improvements remains static. This primary source of transportation funding for our state has lost nearly half its purchasing power since it was last increased in 1991, and will continue to diminish.

Our research shows that traffic congestion remains a top concern among people and industry, with 87% of Central Texans reporting that less time stuck in traffic would improve their quality of life. Increased demand for our already overburdened transportation network means our mission is more important than ever. We owe it to the traveling public, the ones driving on our roads day in and day out, to explore all viable options. By leveraging the flexible financing options afforded to us as a regional mobility authority, we'll continue to facilitate the movement of people and goods throughout our region, bridge the gap between affordable housing and employment centers, connect our residents to everything they love about Central Texas, and reinvest into the region.

It is important to recognize that the vitality of our mobility future has more than population growth to contend with. Significant changes to the nature of mobility and every aspect of our regional landscape are inevitable, making how we move people and goods a growing challenge.

- **Growing distance between affordable housing, employment centers and health care:** Connecting the underserved communities outside Austin's downtown core with employment centers and state-of-the art healthcare facilities is critical. Many of these services are clustered near central Austin, while affordable housing options are getting pushed farther and farther out due to high housing prices downtown. Suburban communities on the periphery will continue to rely heavily on the commute into Austin to stay connected to the services they need.
- **Freight rail traffic density:** As shown in [CAMPO 2040 Regional Transportation Plan](#) the freight rail traffic density in the region is significant, with 10.1-20 million gross tons per mile being carried through the Central Texas region. Optimal mobility along our regional freight corridors is critical to the continued movement of commerce as well as moving the workers responsible for production.
- **Environmental regulations:** There will be tougher air quality requirements, stricter environmental standards to comply with, and significant changes to our carbon-based economy as we look forward in planning our mobility future.

- **Technology advancement:** The emergence of transformational technologies that serve our industry will continue to change the nature of mobility as we understand it. As innovation inevitably brings interoperability and more sophisticated tolling equipment, as well as technologies like automated and connected vehicles (AV/CV), self-driving cars, electric vehicles, and mechanisms for sharing rides within reach for a greater percentage of the population, we will be forced to adapt to an ever-evolving regional mobility landscape.
- **Shifting political priorities:** Competing priorities among policymakers in the Texas Legislature have impacted our ability to deliver critically-needed infrastructure by limiting funding sources and project delivery methods. The way we finance and execute projects is changing, and we must be proactive in garnering local support and adapting to shifting political priorities.
- **Traffic Demand Management:** Adding smart capacity is a critical component to alleviating congestion. To solve the congestion crisis however, we must use all the tools in our toolbox and promote and encourage broader engagement with all transportation alternatives.

Moving Central Texas forward despite the mobility barriers we face requires a strong foundation that is both future-oriented and rooted in the present. We are developing processes to systematically monitor, track, and apply industry best practices to the mobility solutions we are implementing. Keeping our finger on the pulse of the industry through public opinion research and collaborative partnerships ensures our transportation solutions keep pace with technological and societal advancements.

We are ideally positioned to achieve our vision for the future. Our distinct structure, strong governance, and broad charter gives us the authority to address a wide range of mobility problems and deliver multimodal solutions that extend beyond roadways. We apply that authority responsibly—we collaborate with regional partners and engage stakeholders to develop mobility solutions that preserve the affected community’s cultural values and regional identity. We approach our challenge strategically and holistically, and in a way that allows us to be uniquely flexible, efficient and decisive.

THE MOBILITY AUTHORITY AT ITS CORE

Core Purpose

Be the driving force behind preserving and enhancing quality of life through the delivery of reliable and forward-thinking mobility solutions.

Core Values

Integrity

We are committed to honest communications, transparent transactions, ethical decisions, and forthright behavior.

Transparency

We are committed to open, honest and fair business practices; visibility into our processes; and accessibility of information to the general public.

Accountability

We are fiscally responsible and follow through on commitments to our founding counties, investors, customers, constituents, and partners.

Credibility

We work to earn and sustain public trust through dependable public service, two-way communication, partner collaboration, and fair and appropriate solutions.

Service

We provide customer service that is defined by efficiency and responsiveness. We seek to improve quality of life by acting as environmental stewards and supporting our community.

Innovation

We have an entrepreneurial spirit that nurtures new ideas and embraces opportunities to implement transformative technology.

A FORWARD-THINKING MOBILITY VISION:

We are creating a new lens through which we view all things mobility. By optimizing the use of our current infrastructure, best practices and new technology, we're affecting real change within our transportation network that will serve our region for decades to come.

To fully realize our potential, the Mobility Authority board and staff have determined that establishing the following goals will help us achieve our vision:

1. GOAL

Deliver Multi-Faceted Mobility Solutions

We will continue developing a comprehensive regional roadway network that adds value to the community and provides our customers with the reliable transportation choices that enhance quality of life.

Strategies

- 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.
- Incorporate bicycle and pedestrian accommodations such as shared use paths, sidewalks, and bike lanes into our projects to serve the diverse needs of the traveling public.

2. GOAL

Employ a Collaborative Approach to Implementing Mobility Solutions

We will work closely with state, regional, and local leaders, the business community, and partner agencies to responsibly develop mobility solutions critical to our region's continued economic vitality.

Strategies

- Build on our current relationships and partnerships with TxDOT; Williamson, Travis, and Hays counties; the cities of Austin, Cedar Park, Leander, Manor, and others; Capital Metro; CAMPO, and other partners.
- Continue involvement in regional planning activities with community partners and support initiatives of partner agencies.
- Support the enactment of legislation that ensures flexible and reliable options to develop regional mobility projects.

3. GOAL

Explore Efforts that Extend Beyond Roadways

We will continue optimizing our region's overburdened transportation network. These efforts will extend beyond simply building new capacity, and will include programs and partnerships that enhance quality of life for Central Texas and make existing corridors smarter and fully optimized.

Strategies

- Foster a continued partnership with Capital Metro whereby Express Buses are allowed toll-free access to our express lanes.
- Study Park & Ride opportunities throughout the region in collaboration with Capital Metro and the relevant counties.
- Explore the feasibility of transportation and infrastructure projects, programs, and initiatives allowed within our enabling legislation, including: transit services, airports, and public utility facilities.
- Launch a Workforce Development Program to bridge service gaps while enhancing the region's workforce and spurring economic growth.
- Partner with organizations that provide information and technology solutions that incentivize adoption of smarter commuting habits, such as Commute Solutions.

4. GOAL

Explore Transformative Technology and Adopt Industry Best Practices

We nurture promising new ideas and processes, embrace industry best practices, and explore new technologies to achieve our mission.

Strategies

- Employ innovative financial strategies to expedite and make viable the transportation projects critical to our region.
- Explore the incorporation of smart road technology into our roads for enhanced safety and operations, including wrong way driver detection and prevention, AV/VI and dark fiber.
- Monitor our facilities through our Traffic & Incident Management Center to promote safe and efficient operations and efficient deployment of resources.
- Prepare our transportation corridors for the eventual shift to automated and connected vehicle technology.

5. GOAL

Deliver Responsible Mobility Solutions that Respect the Communities We Serve

We foster positive relationships with our community, stakeholders, and customers to understand expectations and develop projects that meet diverse needs.

Strategies

- Exceed the minimum public involvement requirements of the National Environmental Policy Act to ensure the project design is reflective of community values and needs.
- Be a good neighbor to residents and businesses adjacent to our construction projects as well as the traveling public.
- Provide exemplary customer service for drivers on our open facilities.

6. GOAL

Invest in Sustainability Initiatives that Protect our Environment

We are committed to preserving the natural resources that make Central Texas an attractive place to live and work.

Strategies

- Incorporate sustainable design principles into our projects that reduce our overall footprint, such as permeable friction course pavement, measures to meet or exceed water quality standards, and other environmentally-sensitive elements.
- Pursue certification from third-party sustainability rating agencies where feasible.
- Engage in partnerships with environmental groups and non-profit organizations whose mission mirrors our desire to protect the environment, such as TreeFolks.

7. GOAL

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.

Strategies

- Hire, invest in, and retain a highly qualified team.
- Preserve assets and investments through execution of a Master Trust Indenture (guiding financial document), which sets forth a detailed plan for roadway maintenance and inspection practices.
- Increase toll tag penetration among toll road users to lessen costs to consumer.
- Develop, implement and measure exceptional customer service practices and procedures.
- Analyze costs from a long-term sustainability perspective.
- Increase efficiency of roadway, traffic, and toll operations.
- Maintain standards for financial and operations reporting, consistent with the Municipal Securities Rulemaking Board.
- Respond to all Open Record Requests and Customer Inquiries in a prompt, thorough and respectful manner.