

# FORWARD. PROGRESS.



2004 ANNUAL REPORT

"Maybe it doesn't matter which road  
we embark on. Maybe what matters  
is that we embark."

— Barbara Hall





**A** visionary creation of Williamson and Travis counties, the Central Texas Regional Mobility Authority (CTRMA) is a unique government organization that is run like a business. Committed to using cost-effective methods to construct a network of transportation facilities that will safely and efficiently move people and goods across Central Texas, the CTRMA will improve mobility, support economic growth, and enhance the quality of life in Central Texas. While CTRMA is just two years old, it has already made substantial progress toward providing transportation alternatives to local residents and businesses.

# CTRMA: MAKING FORWARD PROGRESS.

## AN OVERVIEW

The CTRMA's first project — 183A — is already underway. When it is completed in 2007, this six-lane toll road will serve thousands of customers daily and will create economic development opportunities for cities along the roadway corridor. But 183A is just the beginning. CTRMA is already considering additional projects and recently completed work on a Central Texas Regional Mobility Plan. The plan lays out a comprehensive vision for future toll road implementation in the region. Over the next decade as CTRMA continues to make forward progress, local residents can look forward to spending less time in traffic and more time at home with their families.



**A**s the Central Texas Region struggles with the reality that toll roads are a necessary means of funding the solution to our congestion problems, the CTRMA achieved numerous important milestones during the past 12 months. Most of these achievements were made possible by the solid foundation laid during our 2003 inaugural year.

Among the most notable is 183A, the long awaited 11.6 mile expressway through western Williamson County, which is now under construction. This vital project will do more than relieve serious traffic congestion and improve safety for the traveling public. It will also be an economic stimulus for the region — one which will allow the region to better compete for new jobs, expand the commercial tax base and ultimately enhance quality of life through improved mobility and increased economic opportunity. With completion scheduled for early 2007, these benefits will be realized almost five years sooner than they would without the CTRMA.

The Comprehensive Development Agreement (CDA) procurement process utilized for this project was a great success. It produced a highly competitive process that rewarded innovation. The process was managed fairly and in a way that will provide maximum value to the CTRMA and the citizens of the region. This was the first CDA procurement ever by a Regional Mobility Authority.

Related accomplishments include securing the funding for 183A, which includes a \$65 million toll equity grant from TxDOT, a \$66 million Federal Highway Administration TIFIA loan (the first ever awarded to an RMA), and the consummation of a bond sale of \$234 million at a very good interest rate, reflecting Wall Street's favorable view of the CTRMA.

Working closely with our partner, TxDOT, we also took a major step toward the future by developing a broad ranging Regional Mobility Plan. The plan seeks to capitalize on new funding sources made available by TxDOT to fund new congestion relieving roadway capacity in the region. This plan has played a significant role as a catalyst for multiple transportation agencies in Central Texas to begin working together, for the first time in decades, toward the clear goal of solving the region's congestion problems.

## MESSAGE FROM THE CHAIRMAN.

We continued to build the CTRMA organization by adding important new members to our team, such as Bill Chapman, our Chief Financial Officer. We also hired a trustee to handle our bond proceeds and an outside auditor to review our books and records. Utilizing community input gathered over several months from a variety of



**BOB TESCH**

groups, stakeholders and citizens throughout the region, we adopted "Customer Friendly" tolling policies for our projects, including 183A.

The successes we have achieved also stem from the new model of transportation solutions inspired by leaders at the highest levels of state government. Our enabling legislation, HB 3588, provided the tools, Travis and Williamson Counties had the foresight to create us, TxDOT provided early direction and partnership funding, and the CTRMA volunteer board has set the policy for implementation of the Regional Mobility Plan.

The CTRMA is now the most audited and reviewed agency in Central Texas. I am proud that the CTRMA has passed every legitimate financial, procedural and ethical test. Audits conducted by TxDOT and our independent auditing firm have shown that our financial affairs are well managed. Wall Streets' enthusiastic reception of our initial bond issue and other financial milestones reflect well on the perception of the authority in the financial community.

The delivery of our first project to construction in record time strongly demonstrates that the CTRMA is off to a good start, setting a good example for future RMA's. The CTRMA understands its responsibility to the region and will continue to build our organization, strive for improvement, and above all maintain the high standards that have guided us to this point. In doing so we will further our efforts to improve mobility, economic well being and quality of life for all residents of Central Texas.

A handwritten signature in dark ink, appearing to read "Bob Tesch", written in a cursive style.

Bob Tesch, Chairman

## CTRMA BOARD OF DIRECTORS



ROBERT L. BENNETT, JR.



HENRY H. GILMORE



LOWELL LEBERMANN, JR.



JAMES H. MILLS



DAVID SINGLETON



BOB TESCH



JOHANNA ZMUD

# ABOUT THE CTRMA, ITS BOARD AND STAFF.

**T**wo years ago, Travis and Williamson County commissioners took a bold step toward improving mobility by establishing the Central Texas Regional Mobility Authority (CTRMA). The mission of CTRMA is to expeditiously provide innovative regional solutions to congestion problems while enhancing economic vitality and quality of life in the Central Texas region. Seven committed citizens from varying professions volunteered to provide steady leadership by serving on the CTRMA Board of Directors. The board has spent countless hours analyzing the Central Texas mobility crisis. Their hard work and expertise has produced a comprehensive plan to build vital transportation facilities across Central Texas. The plan requires no increase in local taxes and will provide drivers throughout the region with alternatives to congestion.



**MIKE HEILIGENSTEIN**  
EXECUTIVE DIRECTOR

CTRMA's board members are Chairman Bob Tesch, Vice Chairman Lowell Lebermann, Treasurer Robert Bennett, Henry Gilmore, Jim Mills, David Singleton and Dr. Johanna Zmud. Collectively they bring a depth of experience in business, law, financing, land development, communications and research to guide the CTRMA and its activities. CTRMA also relies on Executive Director Mike Heiligenstein, who possesses extensive public and private sector experience, to implement the policies of the board. Mr. Heiligenstein brings energy and vision to his management of the activities and operations of CTRMA. CTRMA is also pleased to have brought on board in 2004 Bill Chapman as Chief Financial Officer (CFO). Mr. Chapman is a former CFO for a large municipality with more than 36 years of experience in finance and accounting.



**W**hen 183A opens in 2007 it is projected to serve approximately 25,000 motorists a day. The \$238 million project involves nearly 21 bridges and enough concrete and asphalt to cover nearly 80 football fields. 183A is the first toll road to be built by a regional mobility authority. The project is approximately 11.6 miles long and is being constructed parallel to the existing US 183 in southwestern Williamson County, one of the fastest-growing regions in the country.

# 183A: THE ROAD TO MOBILITY.

## CTRMA'S FIRST TOLLWAY

183A will be built in two phases. Phase I will include construction of a 4.5 mile mainline toll road served by an 11.6 mile system of frontage roads. The tolled portion will have three travel lanes in each direction. Drivers who travel the entire 4.5 mile tolled section of 183A will pass through two mainline toll plazas. One of the mainline plazas will be all electronic and will rely solely on tolltags for the collection of tolls. Phase 2 will involve construction of the additional seven mile mainline toll road. Work on Phase 2 is planned to begin as soon as traffic volumes warrant.



Under the unique powers granted by the Texas Legislature through HB 3588, CTRMA is able to expedite construction of 183A using an innovative contracting method known as a Comprehensive Development Agreement (CDA). The CDA method uses a fixed cost, design-build approach that allows the contractor to begin construction while roadway design is still being finalized. The result is a project that is open to traffic much sooner and at less cost than traditional projects and that benefits everyone in Central Texas.

In 2004, CTRMA signed a CDA with Hill Country Constructors, a consortium of J.D. Abrams, L.P. and Granite Construction Co., to build the 183A project. Hill Country Constructors brings a combined 120 years of road-building expertise to the 183A project.

Like other projects to be built by the CTRMA, 183A is being funded primarily by private investors who purchased tax exempt revenue bonds. The bonds will be repaid by drivers who choose to use the new toll road. This method of financing has allowed CTRMA to start work on 183A years before state funding would have been available. In addition to private funds, the project has been expedited by a Toll Equity Grant from the Texas Department of Transportation (TxDOT) and a federal transportation loan.

A significant portion of the right-of-way necessary for the project was acquired in advance by Williamson County. The sale of revenue bonds means investors and users of the road pay most of the cost, which eases the burden for local taxpayers.



### 2004 ACCOMPLISHMENTS:

Initiated 183A Comprehensive Development Agreement Process

Central Texas Regional Mobility Plan Approved by CAMPO

183A Comprehensive Development Agreement Contractor Selected and Contract Signed

Texas Transportation Commission Approved 183A Project

TIFIA Loan Approved by US Secretary of Transportation Norman Mineta

CTRMA Customer-Friendly Toll Policy Approved

### House Bill 3588: Visionary Leadership

CTRMA is the outgrowth of a 2001 law that established the framework for creation of Regional Mobility Authorities in Texas. In 2003, that framework was expanded and clarified in HB 3588. HB 3588 is unique legislation that grants RMA's the power to issue bonds and to seek other sources of funding to finance transportation projects including: toll roads, systems of facilities, passenger and freight rail, roadways, ferries, airports, pedestrian and bicycle facilities, intermodal hubs, automated conveyors for freight movement, border-crossing inspection stations, public utility facilities and air quality improvement initiatives.





**T**ransportation is critical to the economic well-being of a region and can have a dramatic impact on the quality of life. Before, the advent of motorized transportation most great cities were located along waterways. Today, highways are the centerpiece of great cities. Individuals depend on highways to get to work and businesses depend on highways to move goods. When highways become congested, time is wasted, money is lost, and lifestyles suffer. Over four consecutive years, Austin has been named the most-congested city of its size in America. With the population projected to double in the next 25 years, the need to build more roads to keep up with this rapid growth has become paramount.



#### KEY FEATURES OF THE PLAN:

- Creates a network of tolled express lanes cutting travel time in half on some commutes
- Can be built in less than half of the time, using toll revenue instead of motor-fuel taxes
- Offers communities a say in key aspects of the implementation of the plan, including toll policies, design and aesthetics

# CTRMA: A REGIONAL SOLUTION.



The CTRMA has responded to the mobility crisis by helping local residents and policy makers find a timely and effective way to fight traffic gridlock and address the roadway construction funding crisis. Tolled lanes provide the means to leverage existing funds and to expand and improve existing roadways. These goals and benefits came together as part of the Central Texas Regional Mobility Plan. The Regional Mobility Plan outlines an investment of \$2.2 billion in 11 projects to be completed by 2014. The roadways included in the plan provide quick congestion relief that the traditional “pay as you go” method would take nearly 100 years to build.

After 18 months of work and extensive public input at more than 50 community forums, the Regional Mobility Plan was forwarded to the Capital Area Metropolitan Planning Organization (CAMPO) in July 2004.

CAMPO approved the plan with a number of suggested amendments. The CTRMA Board has since passed a resolution incorporating those changes into the plan. With approval of the Regional Mobility Plan commuters and businesses can look to the future with confidence about how and when the congestion problems will be reduced on local roadways. As part of the Regional Mobility Plan, policy makers and the CTRMA also sought to ensure that the community would have continuous involvement in the implementation of the plan. Participation by small and minority businesses, input by the community on tolling policies, and inclusion of Context Sensitive Solutions were all key elements in the development of the Regional Mobility Plan.



## Toll Policy Input

As part of the implementation of the Regional Mobility Plan CTRMA sought public and stakeholder input on toll policies in three key areas:

- CUSTOMER SERVICE
- DISCOUNTS AND INCENTIVES
- ACCOUNT SET-UP AND PAYMENT METHODS

This “customer-friendly” approach was reinforced by CTRMA’s desire to educate future customers on electronic toll collection and to give them a voice in how CTRMA could best manage the new toll road system.

Typically, toll authorities set their business rules and toll policies without much input from the public.

In order to gather public input on toll policies, CTRMA spent several months describing the toll policies to the public and explaining how the policies impact users of the system. Then CTRMA asked community groups, transportation policy organizations, citizens, small and large businesses, school districts and elected officials for their input and ideas on changes to the proposed policies. The feedback received during this public input process helped CTRMA shape a set of customer-friendly policies the community would accept.



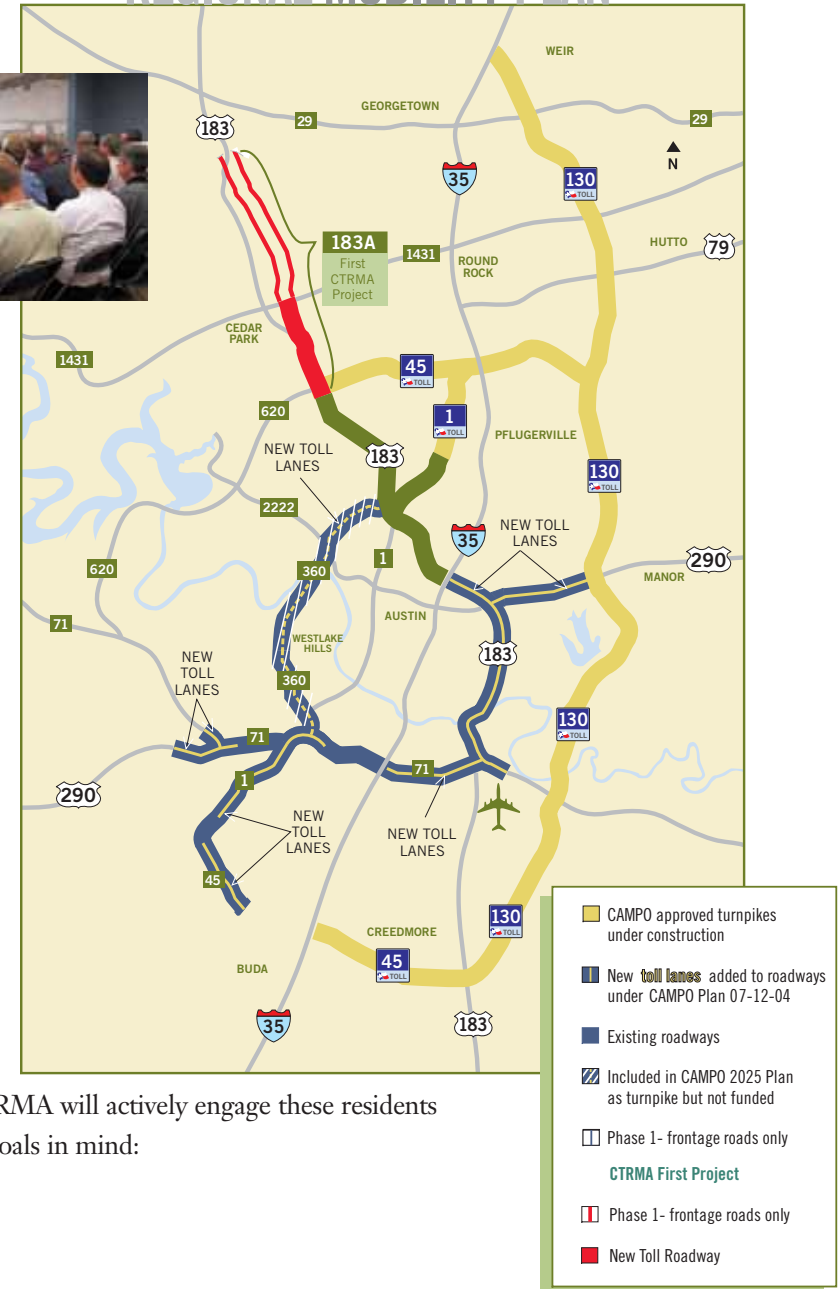
## Context Sensitive Solutions

Context Sensitive Solutions (CSS) gives CTRMA a way to design roadways that will be safe, attractive and that also integrate with the existing environment reflecting the community where they are located. CTRMA has committed to the CSS process as part of the implementation of the Regional Mobility Plan. The public input gathered from the CSS process will help CTRMA understand key community values, that can be used to preserve neighborhood character and, where appropriate, create community linkages for pedestrians and for various types of transportation.

The extensive CSS public input component will involve the public, who will work with technical professionals and others to incorporate community values, environmental considerations, technical requirements, and aesthetics into each CTRMA project. Also, CTRMA will actively engage these residents and stakeholders through the CSS process to design the new roadways with the following goals in mind:

- COMMUNITY INPUT AND INVOLVEMENT
- ENVIRONMENTAL COMPATIBILITY
- ENGINEERING AND TECHNICAL FUNCTIONALITY
- FINANCIAL FEASIBILITY
- PARTNERSHIPS FOR AESTHETIC ENHANCEMENTS

## REGIONAL MOBILITY PLAN



### Quick Facts about 183A: CTRMA's First Project

- CTRMA expects to open 183A to traffic by mid-March 2007
- Centerline length of the highway is 11.6 miles, extending from north of Leander to SH 45/RM 620
- Project costs \$238 million, financed in part by \$212 million in bonds
- Hill Country Constructors (HCC) was hired in December 2004 to utilize a fast-track design and construction approach
- Tolls will be set 60 to 90 days before 183A opens with preliminary estimates of \$2.00 to travel the full length
- 183A will feature an electronic toll collection system that will allow drivers to pay tolls without stopping at a toll plaza
- Electronic tolltag users will receive discounts and additional incentives

## 183A THE START OF SOMETHING GOOD



# COMMON GROUND.

### Here are some milestones to watch for on the project calendar:

- March to July 2005 – Excavating and preparation of the roadway
- July to December 2005 – Preparing bridge foundations and constructing road base
- December 2005 to December 2006 – Building roadway bridges and walls
- January to March 2007 – Finishing touches and final inspections
- March 2007 – A vital new element in regional mobility is ready for traffic.



# CTRMA: THE FINANCIALS.

**FY 2004**

## **CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY MANAGEMENT'S DISCUSSION AND ANALYSIS YEARS ENDED JUNE 30, 2004 AND 2003**

This section of the annual financial report presents our discussion and analysis of Central Texas Regional Mobility Authority's (the "Authority") financial performance during the fiscal year that ended June 30, 2004. Please read it in conjunction with the Authority's financial statements, which immediately follow this section.

### **FINANCIAL HIGHLIGHTS**

- Total expenses were approximately \$553,000 in 2004. The 39% increase in total expenses when compared to 2003 is due to the actual start of construction and increase in operations.
- Total capital assets were approximately \$5,199 and \$7,000 as of June 30, 2004 and 2003, respectively. All capital costs pertain to construction in progress and will not be depreciated until construction is complete.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

The financial section of this annual report consists of two parts: management's discussion and analysis (this section), and (next section) the basic financial statements as well as the notes to the basic financial statements. The financial statements provide both long-term and short-term information about the Authority's overall financial status. The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data.

The Authority's financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to government units on an accrual basis. Under this basis,

revenues are recognized in the period in which they are earned, expenses are recognized in the period in which they are incurred, and depreciation of assets is recognized in the Statements of Revenues, Expenses, and Changes in Net Assets. All assets and liabilities associated with the operation of the Authority are included in the Statements of Net Assets.

The Statements of Net Assets report the Authority's net assets and how they have changed. Net assets — the difference between the Authority's assets and liabilities — is one way to measure the Authority's financial health or position. The stability of the Authority's net assets during 2004 is an indicator of its strong financial health.

### **FINANCIAL ANALYSIS OF THE AUTHORITY**

#### **Net Assets**

The Authority's total net assets were approximately \$5.6 million as of June 30, 2004 (See next page). In 2004, total assets increased 3,106% to \$7.6 million and total liabilities increased 1,769% to \$1.9 million. Total assets as of June 30, 2003 were \$236 thousand and total liabilities were \$104 thousand.

### **CONTACTING THE AUTHORITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our patrons and other interested parties with a general overview of the Authority's finances and to demonstrate the Authority's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Central Texas Regional Mobility Authority at 13640 Briarwick Drive, Suite 200, Austin, TX 78729, Telephone (512) 996-9778. Or visit us on the Web at [www.ctrma.org](http://www.ctrma.org).

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY  
STATEMENT OF NET ASSETS  
JUNE 30, 2004 AND 2003**

Assets		
Current Assets		
Cash and Cash Equivalents	2004 98,059	2003 228,970
Accounts Receivable, Net	1,969,513	0
Prepaid Expenses	899	
Total Current Assets	2,068,471	228,970
Restricted Assets		
Cash and Cash Equivalents	300,300	0
Construction Work in Progress	5,198,707	7,357
Total Assets	7,567,478	236,327
Liabilities		
Current Liabilities		
Accounts Payable	1,914,619	103,927
Accrued Expenses	30,111	0
Total Liabilities	1,944,730	103,927
Net Assets		
Invested in Capital Assets	5,198,707	7,357
Restricted for Other Purposes	300,000	0
Unrestricted	124,041	125,043
Total Net Assets	5,622,748	132,400

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS  
JUNE 30, 2004 AND 2003**

Operating Revenues		
Grants	2004 5,922,714	2003 530,000
Other	120,319	530,000
Total Revenue	6,043,033	530,000
Expenses		
Administration	178,751	25,156
Professional Services	373,934	372,444
Total Operating Expenses	552,685	397,600
Change in Net Assets	5,490,348	132,400
Total Net Assets at Beginning of Year	132,400	
Total Net Assets at End of Year	5,622,748	132,400

**CENTRAL TEXAS REGIONAL MOBILITY AUTHORITY**  
**STATEMENT OF CASH FLOWS**  
**JUNE 30, 2004 AND 2003**

Cash Flows from Operating Activities

	<b>2004</b>	<b>2003</b>
Receipts from Department of Transportation	3,321,799	7,357
Receipts from County Contributions	600,000	500,000
Receipts from Others	120,784	30,000
Payments to Vendors and Professional Services	(489,294)	(301,030)
Payments to Employees	(89,151)	
	<hr/>	
Net Cash Flows from Operating Activities	3,464,138	236,327
Cash Flows from Non-Capital Financing Activities	0	0
Cash Flows from Capital and Related Financing Activities		
Acquisition and Construction of Capital Assets	(3,294,749)	(7,357)
Net Cash Used in Capital and Related Financing Activities	(3,294,749)	(7,357)
Cash Flows from Investing Activities		
Net Increase in Cash and Cash Equivalents	169,389	228,970
	228,970	
Cash and Cash Equivalents at End of Year	398,359	228,970
(Including Restricted Cash Balance)	<hr/> <hr/>	<hr/> <hr/>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities		
Operating Income	5,490,348	132,400
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities		
Increase in Accounts Receivable	(1,969,513)	
Increase in Prepaid Expenses	(899)	
Decrease in Accounts Payable	(85,908)	103,927
Increase in Accrued Expenses	30,110	
Total Adjustments	-2,026,210	103,927
Net Cash Flows Provided by Operating Activities	<hr/> <hr/>	<hr/> <hr/>



"BEFORE HE SETS OUT, THE TRAVELER  
MUST POSSESS FIXED INTERESTS AND  
FACILITIES TO BE SERVED BY TRAVEL."

—GEORGE SANTAYANA



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