

THE STATE OF TEXAS

COMMISSIONERS COURT  
WORKSHOP

COUNTY OF COLLIN

JANUARY 14, 2008

On Monday, January 14, 2008, the Commissioners Court of Collin County, Texas, met at 1:30 p.m. at the Collin County Courthouse, 2100 Bloomdale Road, McKinney, Texas, in an informal work session with the following members present, and participating to wit:

<b>Keith Self</b>	<b>County Judge, Presiding</b>
<b>Phyllis Cole</b>	<b>Commissioner, Precinct 1</b>
<b>Jerry Hoagland</b>	<b>Commissioner, Precinct 2</b>
<b>Joe Jaynes</b>	<b>Commissioner, Precinct 3</b>
<b>Jack Hatchell</b>	<b>Commissioner, Precinct 4</b>

**COMMISSIONERS COURT WORKSHOP**

**Item No. 1** Judge Self convened the Workshop Session to order at 1:44 p.m. and adjourned at 3:41 p.m.

**Item No. 2** Welcoming Remarks. Judge Self opened the Workshop by welcoming everyone present, and thanking Congressmen Ralph Hall and Sam Johnson and State Senators Florence Shapiro and Craig Estes for their attendance. Judge Self explained that the purpose of this Workshop is for the Commissioners, the Congressional delegation, the State Senators and State Representatives to hear a consolidated briefing on the transportation funding needs of Collin County.

Judge Self continued by stating that a "perfect storm" is brewing in Collin County regarding transportation: eight of the top ten fastest growing small cities in Texas are in Collin County, or partially in Collin County; four of the top ten fastest growing larger cities in Texas are in Collin County; Collin County is the fastest growing county in the United States; and Collin County has the third fastest job growth of all counties in the United States with a population of over 500,000.

Judge Self referred to an article in Forbes Magazine which featured the top twenty largest cities in the world and the impact that transportation has on those cities.

**Item No. 3** AI-27870 Collin County Transportation Funding. Commissioner Hoagland thanked everyone in attendance and stated the County Commissioners were asking for help and wanted to show everyone the magnitude of the problem in Collin County. Commissioner Hoagland presented a Power Point presentation entitled "Collin County Transportation Funding Gap 2007-2030". Commissioner Hoagland started by saying "Austin and

Washington, we have a problem", then proceeded to discuss projected population density and growth through the year 2025. Commissioner Hoagland continued, noting that projected Collin County growth transportation factors from 2007-2030 were: population growth, 113%; job growth, 93%; vehicle travel miles, 83%; roadway lane miles needed, 53%; lane miles congested, 45%. Commissioner Hoagland talked about congestion projections and Collin County bond programs, stating Collin County had a bond election in 2003 at which time the cities stated they needed \$421,000,000, final local funding was \$291,000,000, resulting in a shortfall of \$130,000,000. Collin County bond programs for 2007 found a need of \$1,360,000,000, final local funding was \$515,200,000, resulting in a shortfall of \$844,800,000. Commissioner Hoagland continued the Power Point presentation, highlighting Collin County Financing, pass-through financing, how will the shortfall be paid -- TxDOT informed Collin County that they do not qualify for pass-through financing, resulting in a shortfall of \$291,000,000 -- CDA's, Collin County needs \$2.2 billion, proposed CDA funding is \$608,000,000, resulting in a shortfall of \$1,623,300,000.

Commissioner Hoagland continued, citing 2,000 plus lane miles of roadway expansion to the existing grid at a cost of \$7 billion, and he asked Ruben Delgado, Collin County Engineer, what the cost is per mile. Mr. Delgado replied the cost is approximately \$2,000,000 to \$2,500,000 per lane mile. Commissioner Hoagland listed roadway shortfalls, locations and dollar amounts, adding costs do not reflect inflation. The presentation continued with slides outlining funding from TxDOT to Collin County and state transportation expenditures. Commissioner Hoagland said Collin County received \$168,820,000 from TxDOT over the last three years, which represented less than 1.5% of the County's needs. Current and future needs for Collin County are \$10,878,000,000, which far exceeds TxDOT's 2007 budget of \$5.9 billion for the State of Texas. Commissioner Hoagland stated Collin County feels that indexing the gas tax or dedicating a larger portion of the gas tax fund to road improvements is in order. (Time: 2:00:55 p.m.)

**Item No. 4** AI-27853 Federal Transportation Funding. Mark Sanborn, Special Agent to the Assistant Secretary for Transportation Policy, U.S. Department of Transportation, came forward and stated he was appearing on behalf of Secretary Peters and the Assistant Secretary who could not be present due to scheduling conflicts. Mr. Sanborn also stated the Department of Transportation was grateful for the opportunity to appear. Mr. Sanborn stated since taking office Secretary Peters has focused on three main things: safety, system performance, and applying 21<sup>st</sup> century solutions to the transportation challenges we face today. Mr. Sanborn added he would be focusing on improving system performance, improving the funding model for transportation infrastructure and financing, and using advances in technology to implement these new policies. Mr. Sanborn said the last transportation bill created two commissions to look at transportation policies, with infrastructure

financing being a central question for both commissions. Mr. Sanborn added a report from one of the commissions would be released January 15, 2008. At this time Mr. Sanborn presented a Power Point presentation, stating the two most important challenges faced today are the consistent decline of system performance and increased politicization of investment decisions. Mr. Sanborn continues with the Power Point presentation, pointing out that the federal government funded approximately 21% of the cost of highway spending and 18% of the cost of transit spending, with the majority of the funding occurring at the state and local levels. Discussion continues on the ripple effect of congestion: congestion costs the U.S. economy nearly \$2 billion per year; wastes 4.2 billion man hours; and burns 2.9 billion gallons of fuel. Trends suggest this will get worse. Mr. Sanborn continued with the presentation, explaining the new political relevance of transportation; failures of U.S. surface transportation policy; and asking what is wrong with our transportation policies.

Mr. Sanborn stated the DOT hopes if tolling is pursued, that counties will look into new technology for free flowing tolling, making toll booths tools of the past. As bridges and roadways age in our nation, there has been renewed debate on the amount of revenue collected and distributed for surface infrastructure, calling for an increase in the gas tax. Mr. Sanborn stated that Secretary Peters strongly believes that this approach will not solve the problem and will result in a contradiction of national policies. Discussion continued on a slide entitled "What's Wrong with our Transportation Policies", focusing on more spending, more traffic; the end of the financial road; state general funds are unlikely to make up the shortfall; funding transportation vs. reducing gas consumption; special interests vs. public interest; process without purpose; and no accountability to drivers.

Mr. Sanborn stated the DOT believes a system that calls for users to pay directly for services will result in less congestion and better system performance. The Power Point continued with discussion of a new approach to surface transportation policy; guiding principles for a new approach; elements of a new approach, USDOT's urban partnership program; elements of a new approach, public private partnerships (P3s); public sector recognition of P3 opportunity; and size of the U.S. Transportation P3 market.

Mr. Sanborn concluded by stating that while there are many policy problems, there are also many solutions. (Time: 2:20:48 p.m.)

**Item No. 5**      AI-27852      Texas Department of Transportation (TxDOT) Funding. Steven E. Simmons, P.E., Deputy Executive Director, Texas Department of Transportation, stated the information presented by Commissioner Hoagland and Mr. Sanborn does not just single out the State of Texas, rather, it

is indicative of what is happening across the nation. Mr. Simmons said we are fortunate to have Secretary Peters heading the DOT because she comes from a state DOT rank and she understands the needs of the states and the local communities. Mr. Simmons referred to Commissioner Hoagland's concern about pass-through toll funding, adding that if something is not done, TxDOT will be short \$1.8 billion in 2012, and \$3.6 billion in 2015, that is the magnitude of the problem with transportation funding. Mr. Simmons talked about the causes of this problem, the first being inflation. The last five years have seen a 62% increase in the cost of highway construction; the last ten years have seen a 100% increase. Mr. Simmons continued, stating the price for a barrel of oil today is over \$100. Highway construction projects are dependent on oil and gas.

Mr. Simmons stated because the State maintains over 80,000 miles of roadways, maintenance contributes to the problem. Drought, rains, fires, and hurricanes have had a tremendous impact to the infrastructure.

Mr. Simmons complimented the State elected officials for being proactive in terms of transportation needs, stating Senator Shapiro was a prime mover in the Texas Mobility Fund. Mr. Simmons said that two weeks ago there was a balance in the Highway Trust Fund of \$35,000,000; however, over \$400,000,000 is paid out in one month to contractors. Mr. Simmons discussed Proposition 12, which has to do with general revenue bonding for transportation; the motor fuel tax; and the Texas Emission Reduction Program.

Mr. Simmons thanked Congressmen Hall and Johnson for being instrumental in helping pass a Federal Transportation Bill in 2005; however, that bill will expire in 2009. Mr. Simmons said the federal government is also experiencing a shortfall in funding, which will be handled by rescissions. To date, the federal government has rescinded \$666,000,000 from the State of Texas.

Mr. Simmons continued his presentation by stating that nobody expected gas prices to remain at \$3 per gallon for as long as it has. TxDOT did a poor job forecasting what the motor fuel tax will bring in for the State of Texas; a poor job was done projecting what the Federal Transportation Bill would bring in. A federal bill is six years long and planning is done on a twenty-year horizon, so TxDOT is looking at three transportation bill projections. TxDOT was going to let \$4.2 billion this year to construction, but they are only permitted to let \$3.1 billion. As a result, Mr. Simmons said, in order to reduce \$1.1 billion worth of construction work., consulting engineering expense has been reduced, right-of-way purchases have been stopped, and all offices have been ordered to reduce their budgets by 10%. That will result in approximately a half billion dollars that can be added back to construction.

Bill Hale, P.E., District Engineer for the Dallas District of Texas Department of Transportation, showed a Power Point presentation to the Court and members of the audience entitled "Texas Department of Transportation Update, Presentation on Use of New Financial Tools". Mr. Hale discussed taxable gallons sold in billions; construction cost index September 1992 through October 2005; the metropolitan transportation plan; annual construction letting volume statewide; annual construction letting volume Dallas district; projected construction letting volume Dallas district; projected construction letting volume Dallas district with new financial tools for years 2008 through 2017; and maps with construction locations highlighted. Discussion continues with further explanation of the Power Point slides. (Time: 2:51:31 p.m.)

**Item No. 6** AI-27845 Regional Transportation Council (RTC) Funding. Dan Lamers, P.E., North Central Texas Council of Governments, Transportation Department, stated he was appearing on behalf of Michael Morris who was in Washington, D.C., at a Transportation Research Board meeting. Mr. Lamers said he was subtitled his presentation "Michael's Magic Wallet" due to Mr. Morris's promises to find funding for projects. Mr. Lamers agreed with the prior speakers that there are three sources of revenue to build transportation projects: traditional funding sources, primarily gas tax and vehicle registration fees; alternative funding sources, regional programs, regional toll revenues; and project revenue. Mr. Lamers presented a Power Point entitled "Collin County Transportation Workshop", which covered topics such as current transportation funding equation; funding sources; STP-MM and CMAQ funding; transit formula funding; metro corridor funding; regional programs; RTC/local fund swap; regional toll revenue; and regional toll revenue funding initiative. Mr. Lamers referred to Commission Hoagland's presentation on how rapidly Collin County is growing, placing a huge demand on the infrastructure and services that must be provided, such as fire, sewer, water, and police, in addition to transportation. Mr. Lamers continued with the Power Point presentation, explaining different types of funding available.

Judge Self asked Mr. Lamers to speak about the Credit Union Bank, or the regional toll revenue. Mr. Lamers said this is the process that Bill Hale spoke about where funds from President George Bush extension, 161 and 121, will be deposited into an account that is earmarked for this region, with that money earning interest. NCTCOG is working to identify projects to use with those funds. Mr. Lamers added that \$580,000,000 to \$600,000,000 is currently available for funding for 121 for Collin County, and Christy Justice and Michael Morris from NCTCOG have met with the Court to discuss specific projects. Additionally, the interest on that account will keep projects moving, and as funds are used, hopefully additional projects will contribute money to that account that can be used to help build other projects.

Mr. Lamers addressed the entire roadway system recommendation contained in the metropolitan transportation plan, which represented approximately \$30 billion in today's dollars, not inflated dollars, which NCTCOG thinks they can afford. That figure does not include the additional \$50 billion necessary to prevent congestion from getting worse. Mr. Lamers added that if some of the integrated financial strategies do not come through, \$18 billion worth of projects, even those funded using toll roads, managed lanes, or money from CDA's, would not be able to be built. Mr. Lamers concluded by stating that we need to look for additional sources of funds and a longer-term solution is needed. Mr. Lamer stated he looked forward to hearing the federal direction and solutions for transportation funding included in the federal report due January 15<sup>th</sup>. (Time: 3:05:16 p.m.)

**Item No. 7** Collin County Regional Airport. Judge Self introduced Ken Wiegand, Executive Director, Collin County Regional Airport, and stated that the briefing for the Collin County Regional Airport will not be heard today in the interest of time. Judge Self urged everyone to read the handout in their packets. (Time: 3:05:16 p.m.)

**Item No. 8** Discussion. Judge Self asked if Congressmen Hall or Johnson had any comments based on the presentations. Congressman Hall stated he once read a quote by Will Rogers that said the way to take care of highway building was to require everybody's cars to be paid for before they could use the highways. Congressman Hall thanked Judge Self for organizing this Workshop, thanked Congressman Johnson for working with him, thanked all the members of the House present, and stated these problems are very real and need real answers.

Congressman Sam Johnson thanked the Court for inviting him to the Workshop. Congressman Johnson stated that he wished Texas would get the same money as Alaska, which gets five times the money they put into the fund. Congressman Johnson added that he sees frivolous expenditures, such as Dart, which he considers to be a danger to society. Congressman Johnson told the Court to let Congressman Hall and him know what they can do to help because they are on the same side for the good of Collin County.

Judge Self highlighted points of interest from today's presentations, such as a higher universal tax, user fees, local taxes through tolls, grants from COG, clean air grants, and sustainable development programs. Judge Self then asked if the State delegation had any questions or comments.

State Representative Jodie Laubenberg asked Steve Simmons what the reason was for the \$1.1 billion cutback. Mr. Simmons replied that revenues have to be projected out, and if you let a project today, it will take four years to pay it out. Discussion followed, with questions and answers between Representative Laubenberg and Mr. Simmons.

Senator Florence Shapiro stated today's session was very good and should be done on an ongoing basis. Senator Shapiro added she was concerned about pass through projects and asked if Mr. Simmons or Mr. Hale would address that, as well as the reason they said no to the County's proposal to put money up front. Mr. Simmons replied that pass through is a great way to move projects forward, but added that the problem with taking money from the County is that that money still has to be paid back to the County and cash flow projections do not indicate that their office has the money to pay that. Discussion followed, with questions and answers between Senator Shapiro, Mr. Simmons, Mr. Hale and Mr. Lamers.

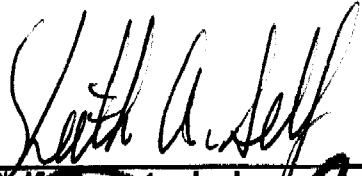
Judge Self asked if there were any more questions or comments. Senator Shapiro addressed the issue of urban versus rural.

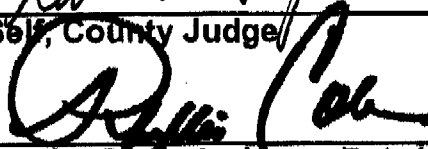
Melissa Mayor David Dorman asked the State legislators when money would stop being diverted and be paid back. Senator Shapiro replied that \$11,000,000 sounds like a lot of money, but there are priorities. Judge Self addressed diversions, reminding everyone that TxDOT has a fund of approximately \$4 billion, with \$2.1 billion being Collin County's concession fee.

Frisco Mayor Mike Simpson wanted to know how the gas tax fee could be flat. Mr. Simmons responded that people are driving more fuel efficient cars, changing their driving habits and using public transportation. Discussion followed, with questions and answers between Mayor Simpson, Mr. Simmons and Mr. Lamers.

Judge Self concluded the meeting by thanking the elected officials, members of NTTA, and mayors for attending today, and added that everyone was welcome to stay after the meeting for further discussion.

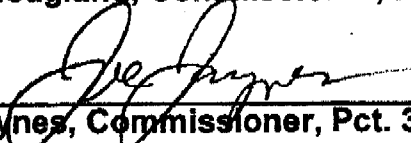
There being no further business, Judge Self adjourned the Commissioners Court Workshop at 3:41 p.m.

  
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Keith Self, County Judge

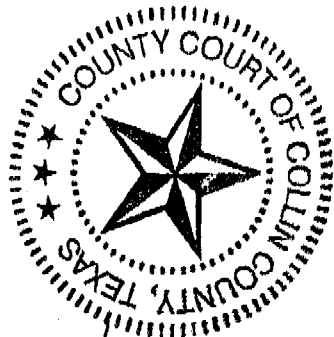
  
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Phyllis Cole, Commissioner, Pct. 1

**NOT PRESENT**


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Jerry Hoagland, Commissioner, Pct. 2

  
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Joe Jaynes, Commissioner, Pct. 3

  
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Jack Hatchell, Commissioner, Pct. 4



**ATTEST:**

  
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Stacey Kemp, Ex-Officio Clerk  
Commissioners' Court  
Collin County, TEXAS