

Scott, Rider

From: Michael Morris [MMorris@nctcog.org]
Sent: Friday, May 13, 2011 5:06 PM
To: Ron Brown; Cantrell, Commissioner Mike; Capehart, Councilmember Sheri; Chavez, Ms. Maribel; Cumbie, Mr. Gary; Day, Mr. Bob; Dunlap, Councilmember Lee; Durham, Councilmember Rudy; Eads, Commissioner Andy; Emery, Mr. Charles; Enoch, Mr. Mark; Espino, Councilmember Sal; Fickes, Commissioner Gary; Franke, Mayor Robert; Hale, Mr. Bill; Roger Harmon; Kathleen Hicks; Horn, Judge John; Jaynes, Commissioner Joe; Jenkins, Judge Clay ; Ron Jensen; Jones Hill, Councilmember Vonciel; Bob Day; Jordan, Councilmember Jungus; Kamp, Mayor Pro Tem Pete; Keever, Councilmember Geralyn; Linda Koop; Leyman, Councilmember Mike; Marchant, Deputy Mayor Pro Tem Matthew; Marchant, Matthew; Maso, Mayor Maher; McLendon, Mayor Pro Tem Bill; Medrano, Deputy Mayor Pro Tem Pauline; Monaco, Mayor John; Richard Morgan; Murphy, Councilmember John; Natinsky, Councilmember Ron; Riley, Judge Mark; Stopfer, Councilmember Rick; Tatum, Mr. John; T. Oscar Trevino; Washington, Ms. Bernice J.; B. Glen Whitley; Wilemon, Councilmember Kathryn
Cc: Grady Smithey (grady-judy@sbcglobal.net); vic@ntc-dfw.org; Scott, Rider
Subject: RTC Assistance in Communicating the Need for Proposition 12

Chairman Natinsky called a meeting of a small group of RTC members to reaffirm the importance of Proposition 12 and the need for our legislative delegation to have benefit of the types of projects which could be built with these revenues.

The small group of people who got together on short notice included: Chair Natinsky, Vice-Chair Jordan, Commissioner Eads, Chair Emery, Mayor Franke, Councilmember Jones-Hill, Judge Jenkins, Councilmember Koop, Councilmember Stopfer, Mayor Trevino, Judge Whitley and Councilmember Wilemon. Mayor Franke also chairs DRMC and Councilmember Wilemon chairs TRTC.

The recommendation was to make sure RTC members communicated the importance of Proposition 12 to their state Senators and House members. There are five groups that need our project specific and policy level information. They are: House conferees, Senate conferees, North Texas House members, North Texas Senate members and state leaders. Chairman Natinsky will communicate by writing a letter early next week to the state leaders. It is requested that the RTC members communicate the message below to our state elected officials on the conference committee and from our region.

The following bullet points were developed by Rider Scott and Vic Suhm:

- We need \$65 million to access \$3 billion in Proposition 12 bonds approved by the voters in November 2007 by a 63% margin.
- TxDOT is out of new money for new capacity projects in 2012, which is unacceptable in a state that adds more population annually than any other state in the country.
- We have to address the transportation problem. We can't just continue to ignore it because if we do, our economy and quality of life will decline.
- We've been unwilling to raise the gasoline tax or vehicle registration fee to fund the state's transportation needs, so adding this \$65 million to access \$3 billion in bonds is our best answer

for now.

- You may want to use the candidate Proposition 12 projects shown at the RTC as a tool in requesting their support.

Group 1 House Conferees:

Pitts (Chairman): Will be called by Mayor Franke and Grady Smithey

Turner: Councilmember Jones-Hill

Zerwas: Councilmember Wilemon/Mayor Cluck

Otto: Vice-Chair Jordan through Representative Orr

Crownover: Commissioner Eads/Chairman Emery (Commissioner Eads - positive support from Crownover)

Group 2 Senate Conferees:

Ogden (Chairman): Councilman Stopfer will work through Senator Shapiro

Nelson: Mayor Trevino, Chair Emery, Commissioner Eads

Williams: Letter from Chair Natinsky

Duncan: others

Hinojosa: Letter from Chair Natinsky

Group 3 House Members: RTC members please communicate with our House members using the talking points above.

Group 4 Senate Members: RTC members please communicate with our Senate members using the talking points above.

It is important to communicate to Rider Scott and Vic Suhm. It is probably best to email them at the addresses below:

vic@ntc-dfw.org and rider.scott@strasburger.com

We need to know who you spoke to and generally their disposition regarding their support of Proposition 12.

Communication is needed as soon as possible because the conferees are currently meeting.

Michael Morris

Transportation Talking Points

Some have raised concern over the possibility of a one-time infusion of money for transportation through bond financing, in a session where cuts are being considered to education, health care and other priorities. It is important to reinforce the broader context of transportation funding, and the following facts.

1. Voters approved \$5 billion in bond financing for transportation. In 2007, 63 percent of Texans who went to the polls supported Prop 12 bonds, representing an overwhelming mandate for reducing gridlock by building new projects. The Senate budget simply reflects the will of the electorate by releasing the remaining \$3 billion in transportation bonds.
2. Each biennium, a billion dollars in gas tax dollars gets siphoned off for other spending. These diversions add up: Texas is on course to run out of money for new roads as early as 2012 unless additional money is added to the system.
3. Over the last 30 years, appropriations for transportation as a percentage of the overall budget have declined significantly. In 1980, 15 percent of the budget was spent on transportation projects. By 2009, transportation only represented 4.8 percent of total spending.
4. Because the state has not enacted any long-term, stable sources of additional revenue for transportation, and because the legislature has not given local officials authority to raise local revenues to fund transportation, our options are limited to a one-time stopgap such as voter-approved debt, or additional public-private partnerships (which is why more legislators are supporting CDAs this session.)
5. Even if conferees include voter-approved bonds in the budget, the state still faces tough choices in the next session because the number of good or excellent roads is dropping, and money for new roads will be gone by 2014. Because safe and reliable transportation is vital to jobs and economic growth, it must become a front-burner issue when legislators return to Austin in 2013.

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4. Because the state has not identified any long-term, stable sources of additional revenue for transportation, and because local officials have been prevented from pursuing local revenue sources, our options are limited to a one-time stopgap such as voter-approved debt, or additional public-private partnerships (which is why more legislators are supporting CDAs this session.)
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The Legislature Should Approve Senate Version of Transportation Appropriations

- The senate version of the Texas budget includes \$3.3 billion more in transportation funding than the house version does; it authorizes issuance of the remaining Proposition 12 bonds approved by Texas voters in November of 2007.
- Texas is under-investing in its transportation infrastructure, resulting in increased travel times, deteriorating road conditions, missed economic development opportunities, and lower quality of life.
- Current level recurring transportation revenue does not fully fund transportation maintenance needs let alone the need for new capacity, a real problem in a state that adds more population each year than any state in the nation.
- Transportation investment creates jobs directly and indirectly.

Debt Service

- The base budget provides debt service on the \$1 billion of Prop 12 that has already been issued. (Same as House)
- The budget provides that unexpended balances will pay the debt service (\$64.4 million) on the second \$1 billion needed for the projects TxDOT was told to start this biennium. (Same as House)
- Debt service on the remaining \$3 billion comes to about \$65 million in the next biennium.

Distribution of Prop 12

- A rider provides for the distribution of the additional \$3 billion. It strikes a balance between providing every region of the state an allocation and ensuring that some of the state's highest priority projects are also addressed.
 - Safety/Rehab - It ensures both rural and metro areas of the state receive an allocation totaling \$1.4 billion for rehab and safety work. The money would be allocated by existing TxDOT formulas.
 - Bridges - We have 50,000 bridges in this state. Some bridges in need of replacement are so expensive it would wipe out the annual bridge budget for several years if they are funded through traditional means. \$500 million is provided to complete several mega-bridge projects.

While there are existing TxDOT criteria for selecting bridge projects, these mega-projects are not typically feasible because their cost would exceed or consume most of the available annual budget. These projects all meet TxDOT's existing criteria and would be selected by the Transportation Commission.

- Development - Transportation projects can take many years to develop. The highest priority projects are so expensive that it makes little sense to expend the limited available resources to advance the environmental and engineering work, knowing that there will not be funds available to construct the projects.

Therefore this budget provides \$300 million for the development work necessary to begin high priority projects in the most congested regions of the state.

- Congestion Relief - \$600 million is provided for congestion relief in the urban and metro areas of the state. The \$600 million is distributed by existing TxDOT formulas that were developed and agreed to by the state's 25 MPOs.

The formulas factor in each region's population, lane miles, and vehicle miles traveled, among other criteria.

- Connectivity - \$200 million is provided for statewide connectivity projects that would be selected by the commission.

Lettings

- Without this appropriation of Prop 12 bond proceeds, there would be a substantial drop in lettings next biennium.
- This budget will keep contracting levels above \$4 billion each year of the biennium. Otherwise, 2013 lettings would fall below \$3 billion.

Fiscal Year	Senate	House
2010	\$4.003 billion	\$4.003 billion
2011	\$4.458 billion	\$4.458 billion
2012	\$4.371 billion	\$2.888 billion
2013	\$4.190 billion	\$2.878 billion

Conclusion

- Even as the economy is showing signs of recovery, unemployment in the construction industry is hovering around 20 percent (not seasonally adjusted).
- According to the Associated General Contractors of America¹, that's the highest of any industry and more than double the overall rate.
- Lastly, the department has not asked for any additional FTEs to accommodate this appropriation.

¹ AGC of America, "Construction Recession Lingers as Industry Loses Jobs, Spending Drops While Overall Economy Adds Jobs," News Release, April 1, 2011

Scott, Rider

From: Eric Bearse [eric@ericbearse.com]
Sent: Thursday, May 12, 2011 3:18 PM
To: Jim Reed; Vic Suhm; Vic Boyer; Beth Ann Ray; Scott, Rider
Subject: Talking points

Attachments: Transportation Talking Points.docx



Transportation
Talking Points....

Not sure if I nailed this one exactly. Please offer improvements.