



**SAN ANTONIO MOBILITY
COALITION, Inc.
(SAMCo)**

**2008
Federal and State Issues
Agenda**

[Draft for Discussion – March 10, 2008]

**Adopted by the SAMCo Board of Directors
[Draft] _____ Insert Date**

STATE ISSUES

1. Authorize \$5 billion in Proposition 12 general obligation bonds to provide funding for highway improvement projects.

Background: On November 6, 2007, Texas voters approved by a margin of 63 to 37 percent a constitutional amendment (Proposition 12) providing for the issuance of general obligation bonds by the Texas Transportation Commission in an amount not to exceed \$5 billion to provide funding for highway improvement projects. The amendment was proposed by unanimous votes in both the House and Senate (S.J.R. 64). To date, the Texas Legislature has yet to authorize the bonds, a required initial step before bonds can be issued and any funding be allocated to TxDOT from the bonds. Approval of the bonds will help alleviate a substantial long-term shortfall of funding for added-capacity projects in our state, resulting from a combination of federal rescissions, diversions of transportation funding, rapidly rising construction costs, and reallocation of mobility funds to maintenance and reconstruction.

2. Enable the motor fuel tax to increase with growth in the economy by indexing it to the consumer price index or an appropriate construction cost index.

Background: This proposal would enable the revenue from the motor fuel tax to grow with inflation in order to stabilize the purchasing power of transportation's single largest revenue source. The cost of providing roadway maintenance and construction rises incrementally with inflation. Indexing the tax to the CPI or an appropriate construction index would enable the revenue that funds these services to grow with inflation. Since 1991, when the motor fuel tax was last raised from \$.15 to \$.20, inflation has eroded the current value of the gas tax down to \$.14 cents per gallon – this as highway construction costs continue to escalate at about 10-15 percent annually.

3. Empower metropolitan areas to establish a menu of new local revenue sources to fund transportation improvements.

Background: Metropolitan regions in Texas need the authority to generate resources for increased investment in transportation infrastructure in order to slow or stop the rise in roadway congestion. This proposal would authorize regional entities (RMA's, RTA's, and Urban Counties) to establish new local revenue sources to address transportation issues. Potential new local revenue sources would include a general sales tax, motor fuels sales tax, motor vehicle sales tax, motor fuels excise tax, a motor vehicle registration fee, and/or an increase in the sales tax cap for cities. The rate of any new fees or taxes should be left to the determination of regional voters and the proposing entity. The authority should be broad, enabling the proposing entity and its voters to decide the particular fee/tax and the rate. Permissible uses of these new revenues should include any and all transportation modes.

4. Restore Funding for Pass-Through Program

Background: In 2003, HB 3588 established pass through financing as an additional tool for local officials to accelerate delivery of priority highway projects. Under a pass through agreement, a local entity (City, County, RMA, etc.) may agree to bond and build a highway project with TxDOT reimbursing all or a portion of the construction costs over time based on increased traffic counts. Since inception of the program, numerous pass through agreements have been developed to provide congestion relief in rapidly-growing areas of the state, including portions of Blanco and Culebra Roads in San Antonio. In 2007, TxDOT announced that it will not be accepting additional pass through projects due to concerns about future cash flow. In San Antonio, this has placed future potential pass through projects such as SH 211 (Hill Country Parkway) and Potranco Road into a state of uncertainty. Identification of additional funding for the pass through program, which leverages traditional state funding with local financing, should be a high priority for action by the Legislature and Texas Transportation Commission. Proposition 12 bonds (see item I) would be a potential funding source.

5. Recapitalize the Texas Mobility Fund

Background: The revenues currently allocated to Texas Mobility Fund 356 will be fully committed to funding annual debt service obligations in 2009, which means no new project funding until TMF356 receives a new injection of revenue. Bills filed but not adopted last session provide a good model to recapitalize the mobility fund. These include HB 422 (Phillips) and SB 126 (Carona) which make technical revisions to facilitate Texas Mobility Fund administration and debt issuance, and move approximately \$290 million from the General Revenue Fund to the Texas Mobility Fund – revenues associated with motor vehicle rental taxes and aviation sales, use, and franchise taxes and revenues from fees and penalties associated with certificates of title, motor carrier permits and registrations, salvage dealers licenses, vehicle storage facility licenses, personalized license plates, and driving safety courses.

6. Reduce and/or cap diversions of state transportation revenues to non-transportation uses.

Background: In 1987, state leadership began to transfer transportation funds to other areas of the state budget, with little regard for the long-term impact. Ignoring population growth projections, state government continued that practice, resulting in poor planning decisions. Over the past twenty years, more than \$10.5 billion has been transferred from transportation needs to other areas of the state budget. In the most recent biennial budget, more than \$1.6 billion is diverted to other programs. To prevent further erosion of the transportation funding cap, the diversions should be capped at current levels and gradually rolled back as future funding allows.

7. Toll Projects – Continue to support local control of toll projects.

Background: Support legislation and Transportation Commission policy that would: 1) continue authority of RMAs, HCTRA, and NTTA to have first option to finance, construct, operate, and maintain toll projects within their jurisdictions, and 2) continue to provide local toll entities access to TxDOT right of way and assistance in acquiring TxDOT right-of-way subject to reimbursement for actual historical costs only.

8. Support efforts to capitalize (from General Revenues) the Texas Rail Relocation Fund, authorized by voters in November 2005, to provide for relocation of existing rail traffic in metropolitan and urbanized areas. Ensure that any state funds provided for rail relocation efforts are distributed on a proportional basis to major metropolitan areas and that existing transportation funds are not diverted.

Background: San Antonio and other major urban areas in Texas are developing plans to relocate existing rail lines away from crowded urban areas in order to enhance safety, increase freight and commuter rail capacity, reduce toxic spills, improve air quality, reduce 18-wheeler truck traffic on Texas highways, and spur economic development. As these plans are developed, a combination of federal, state, local, and private sector funding will be needed to implement these plans. At least \$200 million should be allocated annually from General Revenues for this purpose, an amount that would capitalize about \$2 billion in bond funding. To date, TxDOT has identified \$17 billion in potential rail relocation projects in major urban areas, including an estimated \$2-3 billion in the San Antonio region.

9. Mass Transit Legislative Issues

Background: Discuss with Priscilla Ingle – LVM – Feb 7, 2008

10. Air Quality - Continue support for air initiatives.

Background: 1.) Continue support for Air Quality Planning in the San Antonio region by state and federal agencies; 2.) TERP (Texas Emissions Reduction Program) grants have provided more local reductions of oxides of nitrogen, a principal component of ground-level ozone, than any other emission reduction measures implemented under the Early Action Compact in the San Antonio region. It is important to provide funding for grants for emissions-reducing equipment, which has provided this success, and to assure an equitable access to TERP funding for the San Antonio region.

FEDERAL ISSUES

1. Federal Highway Trust Fund – Long-Term Sustainable Funding

Background: The Federal Highway Trust Fund is expected to reach a negative balance by 2009 with an estimated shortfall of \$1 to \$4 billion based on recent estimates. During the past 18 months, federal rescissions of transportation funding have cost the State of Texas more than \$1 billion. With federal revenues trending downward, state and local officials are making significant cutbacks in projects planned in coming years. In January of 2008, a two-year study released by the bi-partisan National Surface Transportation Policy and Revenue Commission suggests that \$225 billion a year will be required over the next 50 years to upgrade and maintain the federal government's share of infrastructure costs. Currently, the nation is only investing about 40 percent of that amount. The Commission recommends a combination of approaches for addressing the shortfall, including an increase and/or indexing of the federal gasoline tax, higher state gasoline taxes, tolling and private sector solutions where possible, and an eventual phase-out of the gasoline tax to be replaced with a mileage-based system. We urge members of Congress to incorporate all or part these recommendations in the next six-year transportation reauthorization bill expected to be taken up by Congress in 2010 with the goal of providing long-term, predictable, and sustainable funding for the nation's infrastructure needs.

2. Austin-San Antonio Regional Passenger Rail Project

Background: The Austin-San Antonio Commuter Rail project is an important priority in Central and South Texas to help alleviate congestion and safety problems on I-35 due to extraordinary population growth and NAFTA traffic. The locally preferred alternative is a 112-mile regional passenger rail system located in the existing Union Pacific rail corridor for most of its length. Fifteen stations are planned along the route, which is anchored by the Austin and San Antonio metropolitan areas with additional stations in Schertz, New Braunfels, San Marcos, Buda/Kyle, Round Rock, and Georgetown. The commuter rail operation will provide travel times competitive with, if not faster than, travel by automobile. A recent study projects an increase of \$20B in personal income over the next 30 years as a result of the economic development benefits of the project. The capital cost of the project is estimated at \$613M (2006 dollars), with an annual operating cost of \$41M (2006 dollars) for the full service plan. Commitments have been obtained from local MPO's for a portion of the funding. Federal funding goals for FY 2009-2013 include:

- a) \$5 million in FY10 appropriations for additional planning, engineering, environmental clearances
- b) Grant/loan funding for freight rail relocation program
- c) Grant/loan funding for Amtrak operational requirement
- d) Grant/loan funding for construction of commuter rail
- e) RRIF loan fund for commuter rail infrastructure
- f) Coordination between various DOT entities on project as Nationally Significant Corridor.

3. Bus Rapid Transit (BRT) – Support \$20M Appropriations Request For Construction and Development

Background: The Bus Rapid Transit (BRT) project consists of enhanced bus service along Fredericksburg Road extending from the San Antonio Central Business District to the South Texas Medical Center for a distance of 8.7 miles, connecting two of San Antonio's major employment centers. BRT will provide exclusive right of way (where feasible), enhanced stations, real-time bus arrival information, signal priority, queue jumps, and very frequent service (headways of every 10 minutes or better) creating a more attractive transit service. The overall objective of the BRT system is to reduce travel time and delays, increase schedule adherence, expand market share, and ultimately increase ridership of the transit system. The BRT project on Fredericksburg Road is an element of VIA's Metropolitan Transit's Comprehensive Service Plan, which calls for a redesign of fixed route services system-wide. The project is authorized in SAFETEA-LU, with a 20 percent local match. The FY08 transportation appropriations bill included \$4.9 million for Bus Rapid Transit.

4. Modernization of VIA's Bus Fleet and Bus Facility – Support \$6.1 Million Appropriations Request

Background: VIA Metropolitan Transit is requesting \$6.1 million in 2009 appropriations for modernization of its maintenance facility, built in 1948, and for the upgrading and replacement of VIA's bus fleet with environmentally friendly and accessible vehicles, including the procurement of hybrid diesel/electric buses to more effectively move customers through the central business district. A portion of the requested funding will also be used to upgrade the farebox and fare collection system. As the community shifts its dependence from the automobile to public transportation, federal funding is needed to enable VIA to introduce technologies that provide the necessary service in an efficient and cost effective manner, and to properly maintain the fleet. The project is authorized in SAFETEA-LU, and VIA is committed to providing a twenty percent local funding match. The FY08 transportation appropriations bill included \$2.475 million for bus and bus facilities.

5. 36th Street Extension (Port SA)

Background: Stephanie Ramsey is updating the statement as per 2/6/08 email.

6. Fort Sam/BRAC

Background: Find new contact on this; what are the proposed earmarks? Auth?

Texas Legislature - Bexar County Delegation

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San Antonio Mobility Coalition, Inc.
Transportation Solutions for an Improved Quality of Life

Purpose:

To identify and advocate multi-modal transportation solutions for the San Antonio Metropolitan Area.

Goals:

1. Utilize all available resources toward leveraging additional local, state, and federal transportation funds.
2. In partnership with appropriate government and business entities, identify and coordinate transportation infrastructure improvements for the San Antonio Metropolitan Area.
3. To publicize that adequate and sustained local (including private sector donations), state and federal funds are essential for improved mobility.
4. To develop broad base support for transportation system improvements.

San Antonio Mobility Coalition, Inc.

Membership

Alamo Area Council of Governments
Alamo Cement Company
Alamo RMA
ARCADIS
Arias & Associates, Inc.
Associated General Contractors of Texas
Bain Medina Bain, Inc.
Barshop & Oles Company
Bexar County
BNSF Railway
BOZADA
Bracewell & Giuliani
Broadway National Bank
Capitol Aggregates
Cemex, Inc.
CH2M Hill
Chiang Patel & Yerby, Inc.
City of San Antonio
Civil Engineering Consultants
Clark Construction of Texas, Ltd.
Cox, Smith & Matthews
CPS Energy
Dannenbaum Engineers Corporation
Earth Tech, Inc.
Flasher Equipment Company
Free Trade Alliance San Antonio
Freese & Nichols, Inc.
Frost Bank
Fugro Consultants, LP
Greater Austin/San Antonio Corridor Council
Half Associates, Inc.
HDR Engineering, Inc.
HNTB Corporation
HOLT CAT
HRM Consultants, Inc.
Huitt-Zollars, Inc.
Jacobs Carter Burgess
Klotz Associates, Inc.

LNV Engineering, Inc.
Locke Lord Bissell & Liddell LLP
Lockwood Andrews & Newnam, Inc.
LOPEZGARCIA GROUP
Martin Marietta Materials SW
Medical Center Alliance
Padgett, Strateman, & Co., L.L.P
Pape Dawson Engineers, Inc.
Parsons Brinckerhoff
Pate Engineers, Inc.
PBS&J Corporation
Port Authority of San Antonio
Poznecki-Camarillo and Assoc., Inc.
R.L. Worth & Associates, Inc.
Raba-Kistner Consultants, Inc.
Real Estate Council of San Antonio
SA Council of Engineering Companies
Structural Engineering Associates, Inc.
TCB/AECOM
TEDSI Infrastructure Group, Inc.
Terracon Consultants, Inc.
The Greater SA Chamber of Commerce
The North SA Chamber of Commerce
The SA Hispanic Chamber of Commerce
The South SA Chamber of Commerce
Tuggey Rosenthal Pauerstein Sandoloski Agather LLP
Unintech Consulting Engineers
Union Pacific Railroad
URS Corporation
USAA
VIA Metropolitan Transit
Vickrey & Associates, Inc.
Vulcan Materials SW Division
Wilbur Smith Associates
Williams Brothers Construction Co.
Winstead P.C.
Witte Museum
Zachry Construction Corporation



“Transportation Solutions for an Improved Quality of Life”

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