



Austin-San Antonio  
Corridor Council

# 2007 ANNUAL REPORT



## *Vision Statement*

*The Austin-San Antonio Corridor Council will seek to:*

*Provide jobs and economic growth to our region.*

*Provide the infrastructure required by growth in a manner designed to preserve our lifestyle and quality of life.*

*Promote within and beyond our communities a sense of regional identity.*

# 2007 Annual Report

## Introduction

The 2007 session of the Texas Legislature was the dominant feature of the year for the Austin-San Antonio Corridor Council. We testified on various bills, participated in committee meetings related to our infrastructure and economic development projects, and prepared various studies and reports in response to Legislative initiatives or in support of the Corridor Council's priorities.

As you know, transportation issues became highly controversial at both the local and state levels during the course of the year – toll roads, the Trans-Texas Corridor program, in-fighting between the large urban toll authorities and the Texas Department of Transportation, the moratorium on certain toll projects and Comprehensive and Exclusive Development deals – and in that heated environment many worthwhile projects were delayed, killed, or put off until the future.

Fortunately, most of our projects were far enough along in the pipeline that we were able to avoid that fate; as you will read below all of our individual transportation initiatives are on schedule, on budget, or completed and in use today.

Our Transportation Task force, under the engaged leadership of Tom Griebel, Bruce Byron, and Blakely Fernandez, has completed their assessment of transportation assets in the Corridor and recommended a series of new projects for Corridor Council support and we will be working over the next few years to bring them to fruition. In particular, we want to point out that the IH-35 Corridor Management and Improvement Plan that we announced with TxDOT in July offers a glimpse of the role of the Corridor Council's role in the future: with resources drying up for new infrastructure at the Federal, state, and levels, this project will attempt to deliver more capacity and efficiency (and improved safety) *from an existing facility* using more advanced technology, better command and control systems, improved communication and coordination.

Internally, our membership and revenues continue to grow despite some tumultuous events in the state and national economies; we continued to enhance our interface with the public and membership through improvements to our websites, newsletter, and printed materials. Strong hands-on leadership from our Executive Committee and new Co-chairmen Bob Huthnance (Austin) and Richard Perez (San Antonio) offers the promise of a bright, active, and successful 2008 and beyond.

I hope you will continue to support us in our efforts.

Ross Milloy, President  
Austin-San Antonio Corridor Council



Austin-San Antonio  
Corridor Council

## 2007 Annual Report

### Table of Contents

<b><u>Major Corridor Council Infrastructure Projects</u></b> .....	<b>4</b>
<b>State Highway 130 Update</b> .....	<b>4</b>
<b>Regional Rail Relocation Project</b> .....	<b>4</b>
<b>Commuter Rail Project</b> .....	<b>5</b>
<b>Transportation Task Force Projects</b> .....	<b>7</b>
<b><u>Major Corridor Council Committee Projects / Goals</u></b> .....	<b>9</b>
<b>Economic Development Committee</b> .....	<b>9</b>
<b>Economic Development 2008 Goals</b> .....	<b>11</b>
<b>2007 Scorecard</b> .....	<b>13</b>

## Major Corridor Council Infrastructure Projects

### **State Highway 130 Update**

State Highway 130 - a \$1.5 billion, 49-mile reliever route for IH 35 - is being built as a four-lane tollway from IH 35 north of Georgetown to U.S. 183 at Mustang Ridge. The first sections are now open from Georgetown to SH 71 near Austin's Bergstrom Airport. Segments 1-4 should be completed by April 2008.

A related project, SH 45 Southeast, will connect from IH just south of Austin 35 to SH 130 near Mustang Ridge, allowing both northbound and southbound traffic to avoid Central Austin congestion on IH 35. This is a \$220 million, 7.4-mile four lane tollway that started construction in July 2007 and is scheduled for completion in early 2009. Work on interchanges at IH 35 and US 183 and some bridge structures is underway.

Segments 5-6 of SH 130 (about 40 miles, est. \$1.35 billion) will connect from Mustang Ridge and move southward to IH 10 at Seguin. This is being constructed under a Comprehensive Development Agreement (CDA) with Cintra-Zachry. Planning, design and right-of-way acquisition activities are under way. Actual construction is expected to begin in 2009, with the road open for traffic in 2012. Segments 5-6 were unaffected by 2007 Legislative efforts to slow some toll roads and CDA's.

Because of continued trade growth and the increased pressures predicted for IH 35 in truck traffic, the Corridor Council would like to see this project expedited by at least one year with a resultant completion date of 2010-2011 and will be working during 2008 with TxDOT and the developer to see if this can be accomplished.

### **Regional Rail Relocation Project**

TxDOT has identified about \$2.5 billion in rail relocation projects that could benefit the Austin-San Antonio Corridor by improving safety (particularly in the San Antonio area), speeding freight movement through the area, relieving population and trade movement pressures on IH 35, and providing additional rail capacity in The Corridor to assist in the development of passenger rail service between Georgetown and San Antonio.

The Corridor Council serves as the interim staff of the Austin-San Antonio Inter-municipal Commuter Rail District and, as such, we conducted and completed a study during 2007 of the economic and financial benefits of developing passenger rail service in Texas. We also supervised a study completed this year of possible financing mechanisms for a rail relocation program statewide. Another important effort this year by TxDOT of freight rail movement in the San Antonio area analyzed various options for rail relocation and also included some of the economic and air quality benefits of relocating some rail lines out of the congested urban areas in The Corridor. The next phase of TxDOT's study is due in January, 2008.

One of our goals for 2007 was the financing of the Texas Rail Relocation and Improvement Fund, initiated and supported by the Corridor Council over the last few years. This Fund was created by the 2005 Legislature and approved by the voters in a constitutional amendment election in November, 2005. Although we collected resolutions of support from nearly every city and county in The Corridor calling for a \$200 million annual contribution to the Fund during this Legislative session, the political climate and unstable leadership situation in the House made it difficult to achieve this goal this year. In this particular political environment that goal was simply unachievable.

However, with assistance from State Senator Jeff Wentworth we were able to make rail relocation projects eligible for the Texas Emissions Reduction Program – a state fund used to finance projects that improve air quality – and, earlier this year, we were able to win a reversal of a prior decision of the Program’s overseers not to include auto emissions removed because of rail projects in their calculation of project benefits. Because of this policy change, rail relocation projects may now compete effectively for TERP funding, a potential resource of something over \$100 million.

We are currently assessing which freight rail crossings within The Corridor might be most competitive in securing TERP funding for grade separation. As part of an overall funding scenario for freight rail capacity improvements and implementing commuter passenger rail, this new revenue source may prove important in the coming years as a match for other State, Federal, or local funding.

Lastly, during 2008 we will be laying the groundwork for fully financing the Texas Rail Relocation and Improvement Fund during the next Legislative session in 2009. We will be developing a coalition of supporters from the major urban areas with rail relocation issues, meeting with legislators and the executive branch, expanding on the proposed funding solutions we developed in 2007 and again trying to develop support from area cities and counties and their respective Legislative consultants.

From our vantage point in surveying the long term trade and transportation future of this region, financing of this Fund is critical to growth both in Texas and in The Corridor. The Rail District has set aside \$50,000 in funding for this political effort, and we expect that will be supplemented by contributions from interested organizations in Houston, Dallas, and other urban areas.

### **Commuter Rail Project**

As the interim staff for the Austin-San Antonio Inter-municipal Commuter Rail District in 2007, we were able to work with other District staff and elected officials to successfully secure \$20 million in funding commitments for this project from the San Antonio-Bexar County Metropolitan Planning Organization (FY’s 20011-2012) and have requesting a matching amount from the Austin-area MPO (CAMPO), with a decision expected in April, 2008.

We also added three new communities to the membership of the Rail District (New Braunfels, Hays County, and Schertz) nearly completing its potential roster, finished various economic development and engineering analyses on the project and, as noted above, were able to get legislation passed that made rail relocation projects eligible for an additional category of State funding, the Texas Emissions Reduction Program. We have also completed financial briefings for the city and county jurisdictions along the route, and begun discussions about possible financial participation in financing and operating the service.

We have also been encouraged by new interest in the project and new financial resources developed by both the State and Federal governments (recent State funding of specific rail projects; the broadening of the Federal Railroad Reconstruction and Improvement Fund (RRIF) to include commuter rail projects; and a new Federal program devoted to developing Inter City Rail projects across the country).

But even more importantly, we believe, there have been some significant developments from discussions begun in 2007 with the national rail carrier Amtrak and Federal officials that will lead in early 2008 to a Memorandum of Agreement between the Rail District, TxDOT, and Amtrak to study just what infrastructure improvements would be required to establish a preliminary rail service on the existing Union Pacific freight line between Austin and San Antonio. This could potentially result in passenger rail service between our communities being available much sooner than the 20011-2012 timeline that we have been pursuing.

This development could have major implications. First, Amtrak has the legal right to access the Union Pacific freight line for passenger service, has certain legal liability immunities that could reduce the overall cost of the project, and, of course, has extensive experience in running passenger rail services. Any infrastructure improvements made to the existing Union Pacific line under such an arrangement could have positive benefits for both the Rail District and Union Pacific in the short term, but those infrastructure improvements could also accrue to the ultimate benefit of the Rail District should Union Pacific be relocated over time.

The funding for such an interim service and the infrastructure upgrades required might be substantially augmented by Federal dollars from that new Inter City Corridors program or the RRIF loan program and we will be pursuing both in 2008.

Among the immediate goals for us on this project in 2008 are the following:

- Conceptual deal with Union Pacific/Amtrak
  - Short vs. Longterm Scenarios
  - Establish A Timetable For Resolution of Issues & Implementation
- Cost out interim joint-use scenario with Amtrak, TxDOT, and Union Pacific
- Based upon costs, apply for RRIF loan and other Federal, State funding
- Retain a private sector development consultant for land use at stations
- Market research on potential users

- Prep for 2009 Legislative session-Rail Relocation Fund Coalition (as above)
- Analyze impacts of expanding Tax Increment Financing District-areas
- Explore TERP & General Land Office co-funding scenarios
- Examine passenger rail alignment issues in the San Antonio area (East or West).

### **Transportation Task Force Projects**

The Corridor Council’s Transportation Task Force was the vehicle that launched Origin and Destination Studies on IH 35 that grew into the Commuter Rail Feasibility Study and became the political arm that urged formation by the Legislature of the Austin-San Antonio Commuter Rail District. On the Task Force’s Steering Committee are the Executive Directors of both the Austin and San Antonio-area Metropolitan Planning Organizations and the private sector transportation support groups such as the Capital Area Transportation Coalition and the San Antonio Mobility Coalition. In 2006-2007 the group established a protocol for developing a new list of transportation projects deemed essential to The Corridor and during 2007 finalized a list of projects that should be fast-tracked to benefit long term growth. The purpose of the projects were designed to dovetail with State transportation policy ambitions to enhance funding possibilities, and included

- i) Reduced congestion
- ii) Enhanced safety
- iii) Expanded economic opportunity
- iv) Improved air quality
- v) Increasing the value of transportation assets.

The Task Force recommendations included both broad policy initiatives and specific projects. Among the policy initiatives the Task Force recommended that the Council pursue were, by area of concern:

- vi) General
  - Support expanded collaboration between SA/BC MPO and CAMPO, when appropriate include the Temple-Killeen MPO in the deliberations to solve regional transportation problems.
  - Advocate for a single payment card/system that can be used by consumers for the different transportation systems, i.e. toll road, commuter rail, local transit systems, public/private parking and public parking meters.
- vii) Highway
  - Redefine Statewide Mobility Program Category 4 – Statewide Connectivity Corridor Projects Selection Process to factor in near metropolitan area “Growth Corridors”.
  - TxDOT commission a corridor improvement study for the US 281 from San Antonio to Lampasas. (Recognize that the SA District is currently addressing this issue)

- TxDOT initiate a comprehensive East-West corridor improvement study (master plan) from US 281 to IH 35 to SH 95/SH 304 including connections to SH 130 and TTC-35 on the east and IH 10 on the south.
- viii) Intelligent Transportation Systems/Incident Management
- IH 35 Management & Improvement Plan: Complete the software/hardware solutions to provide travel time, alternative routing and other critical information to users of IH 35 from Austin to San Antonio. This included linking the traffic management centers in Austin and San Antonio (Transguide).
  - Establish guidelines and procedures that will provide a reliable and consistent response to incidents (breakdown, wreck or emergency evacuation) on IH 35.
  - Seek local adoption of the guidelines and procedures by the 11 separate and independent local government entities responsible for responding to an incident on IH 35.
  - Develop and provide a comprehensive Incident Management training program that will offered to the First Responders in the A/SACC region.
- ix) Rail
- Advocate that the Texas Legislature provide funding for the Rail Relocation and Improvement Fund.
  - Support the continuing commuter rail planning studies and community outreach initiated by the Austin-San Antonio Intermunicipal Commuter Rail District.
  - Advocate for the efficient intermodal coordination for the movement of people and goods on passenger and freight facilities.
  - Support the development of a comprehensive financing plan for the development (capital cost) and operations (annual operating subsidy) of the Austin–San Antonio commuter rail.

In 2008 the Corridor Council staff will continue to pursue these goals, meet with officials from TxDOT and along the US 281 and IH 10 Corridors to engage them in a dialogue about how these specific projects might be received and encouraging their cooperation on implementing them.

The \$4.8 million IH 35 Corridor Management and Improvement Plan recommended above is already underway and most parts of the effort (linking of the Austin Emergency Center and San Antonio’s Transguide center, video cameras, dynamic messaging signs, and sensors from Austin to San Antonio along IH 35) will be complete during 2008. The Corridor Council will also be working with TxDOT and the Emergency Providers along The Corridor during 2008 to improve incident management and accident response under a program worked out with TxDOT and the Texas Transportation Institute during late 2007.

## Major Corridor Council Committee Projects / Goals

### **Economic Development Committee**

The Corridor Council's Economic Development Committee continues its work in promoting the corridor, spurring trade and economic growth, and catalyzing new economic drivers for the region. The members of our committee are primarily Economic Development Directors from the communities throughout the region. Our primary purpose is to attract new businesses to the Greater Austin-San Antonio region. The committee acts as a coordinator for regional economic development activities, leads marketing trips to recruit businesses to the area, and targets specific industries that meet the region's overall goals that will continue to diversify the economy.

**Target Industry Tours:** The purpose of these tours is to enlighten and educate our committee members so that they become more knowledgeable about our target markets inside the corridor region.

The Economic Development Committee attended the 2007 session of the Texas Legislature in Austin (2-28) and met with staff of Senator Wentworth, Senator Watson and Representative Rose push the Council's legislative agenda. The Council's legislative agenda included three items; Senate Bill 1105 in support of Data Centers, \$200 million to the Texas Rail Relocation and Improvement Fund and to support the San Antonio Base Realignment and Closure (BRAC). 25 members were in attendance, representing: Hutto, Schertz, Kyle, SAMCO, New Braunfels Chamber, CAPCOG, American Constructors, Sequin, Cibolo, San Marcos ED, GBRA, Pflugerville and Georgetown.

In an effort to pursue opportunities presented through San Antonio's Toyota plant, the committee toured the Continental Automotive facility in Sequin (3-21). Continental employs approximately 1,200 technicians in the fabrication of over 5 million electronic engine control units per year, with facilities throughout the world, including factories in Mexico and Europe. With over 18 Toyota automotive supply company's in the corridor region and their corporate commitment to recycling, it may provide additional growth opportunities through recruitment of container manufacturers, plastic, glass, and metal recyclers. We will maintain a database of Toyota suppliers and other automotive companies, which are the most likely targets for relocation (08).

Six of the top 10 tourism attractions in the state of Texas are located in the Austin-San Antonio Corridor region. Tourism is the third largest industry in Texas. Out-of-state residents account for \$24.6 billion in direct travel spending directly supporting 514,000 jobs with earnings of \$14.6 billion. A tour of the Fiesta Texas facilities in San Antonio (4-27) gave the members a better understanding of the value of travel and tourism. San Antonio is the top leisure destination in Texas. Last year, Washington Redskins owner Daniel Snyder took over control of Six Flags, Inc. the company that operates Fiesta Texas. One of the strategies was to pour more money into the marketing of Six Flags parks. They plan to spend \$140 million to promote its theme parks. That is roughly \$30

million more than was spent in 2006. This tour gave our members first-hand knowledge on what plans and strategies had been implemented so far.

In addition, the committee included a visit to the Port of San Antonio (7-25), which is working to transform the former Kelly Air Force base into an international cargo destination to take advantage of international business and pursue NAFTA-related opportunities. Also, with the help of U.S. Sen. Kay Bailey Hutchison, a feasibility study will be completed by (3-31-08) to determine the feasibility of using existing and new infrastructure at Kelly for a National Disaster Response Center.

Trade Shows: In an effort to strengthen collaborations with site selectors, commercial brokers, developers, and realtors in the Corridor, the Economic Development Committee recommended a series of industry marketing shows in Austin, Dallas, and San Antonio. This allowed us to maintain a database of site selectors, commercial brokers; developers who we have worked with in the past or are considered thought leaders in the industry.

North Texas Commercial Association of Realtors Expo – Dallas. Corridor Council staff and members of the Economic Development Committee attended the Real Estate Expo (8-30) in Dallas. This event attracts commercial realtors, developers, owners and investors from throughout Texas. 16 prospect leads were generated and shared with corridor members.

International Conference of Shopping Centers – San Antonio. Council staff, along with members of the Economic Development Committee participated at the ICSC Conference (10-13) in San Antonio. This event attracts major retailers from North America. Member communities included Lockhart, Cedar Park, Schertz, Elgin, Bastrop, Temple, San Antonio and Austin along with Raba Kistner Engineering. 130 prospect leads were generated and shared with corridor members.

Central Texas Commercial Association of Realtors Expo – Austin. Council staff attended the Real Estate Expo (10-25) in Austin. This event attracts commercial realtors, developers, owners and investors from the greater Austin area. 10 prospect leads were generated and shared with corridor members.

CCIM San Antonio/South Texas Chapter 2007 Symposium – San Antonio. The corridor council staff attended the 2007 Symposium (11-14) in San Antonio. This event attracts retail, office, land, and multi-family industries. Participated by working sponsor booth trying to establish new contact leads with commercial brokers and developers.

Center for Latin American Commerce – The Corridor Council served on the advisory council with (CLAC) which is in the McCoy College of Business Administration at Texas State University-San Marcos. The Council supports the development of Latin American Business by communicating best business practices, developing a network of business contacts, mentoring Texas State students, and assisting in fund raising. The Center for Latin American Commerce hosted a workshop on “Business Growth in the

Global Economy” co-sponsored by the Texas Camino Real Export Council and Economic Development San Marcos (5-23).

#### Economic Development 2008 Goals

The 2008 Marketing Activities will help the Region achieve long-term sustainable growth and will target specific industries that meet the region’s overall goals that will continue to diversify the economy and we will continue to inform regional partners on marketing activities that we can partner together on such as trade shows, conferences, etc. We will continue to communicate through email notices (as necessary).

#### Target Industry Tours

- New Braunfels Central Texas Technical Center – Feb
- PGA Village Hotel/Conference Center – San Antonio
- Samsung Tour – Austin
- Pearl Brewery – San Antonio
- Brooke Army Medical Center – Burn Center – S.A

#### Marketing Opportunities.

- North Texas Commercial Association of Realtors Expo – Dallas
- International Conference of Shopping Centers – San Antonio
- Central Texas Commercial Association of Realtors Expo – Austin
- CCIM San Antonio Chapter Symposium

#### Texas Economic Development Council Conferences

- 2008 Summer Meeting-Galveston – July 23-25
- 2008 Annual Meeting – Austin – Sept 29-Oct 1

#### Site Selectors

- Establish relationships with site selectors throughout the country.
- Maintain a database of site selectors who we have worked with in the past or are considered leaders in the industry

#### Industry Tradeshows/Conferences.

- CoreNet Global Spring Summit (May 4-7, San Diego)
- IAMC Fall (Sept 13-17, Oklahoma)

#### Digital Entertainment.

- Continue to work with Digital Convergence Initiative and industry leaders for partnership opportunities in promoting industry conferences and seminars.
- Maintain a database of digital media companies, which are the most likely targets for relocation.
- Work to develop networks among existing firms, economic development leaders, and institutions of higher education
- Industry Tradeshows/Conferences.
- Innotech Summit – San Antonio (March 6)

- Regional Vehicle Manufacturing Strategy Conference – San Antonio (Sept)
- Attend Austin GDC Game Developers Conference (Sept)

#### Medical Devices and Biotechnology

- Maintain a database of medical device and biotech firms, which are the most likely targets for relocation.
- Industry tradeshows and conferences.
- BioTexas Summit (Sept/Oct, Austin)

#### Wireless Technologies

- Continue to leverage the corridor region's strengths in wireless technologies
- Industry tradeshows/conferences
- Texas Wireless Summit (Oct 14-16, Austin).

## 2007 Scorecard

### 2007 Major Goals :

Secure \$200 million in annual funding for Rail Relocation

Negotiate preliminary agreement for commuter rail

Secure additional state and local funding commitments for CRD including \$20 million from MPO's,

Develop private sector partner for Commuter Rail

Support and participate in freight rail relocation study for Bexar County

Expedite funding for IH-10 improvements from Seguin to San Antonio

Expand business relocation and expansion efforts through the Economic Development Committee.

Continue staffing and expand efforts on Digital Convergence Initiative

*Continue pressing for completion of SH 130 to Seguin*

*Continue efforts for improvements to IH 35*

*Add Corridor study of US 281*

*Improved collaboration between Corridor Communities*

*Improve communications/accelerate communications among/between Corridor Communities*

### 2007 Progress/Achieved

Made Rail Relocation eligible for TERP funds; got TCEQ reversal on rules on; \$118 million available.

Amtrak, TxDOT, CRD Memo of Agreement drafted, await signatures.

\$20 million/ SAT-BC MPO;  
\$20 million pending CAMPO;  
3 new CRD members (\$150,000)

Balfour, Beatty; GLO; Frank Russo, Stainbeck Group;

Phase 1 complete – TxDOT stands off

Task Force recommendation; SAMCO agenda; need more local involvement

Expos, Trade Shows, Location tours, Additional information in report

Revitalized Board; new projects; hired Cavalli; TranspoTech conference June

Georgetown to Bergstrom complete; status update in Annual Report

\$4.8 million IH-35 Corridor Mgmt. Plan underway;

Task Force recommendation – facilitate Wolff meet w/county judges

MMR added local papers links; website improvements; co-sponsored ABJ Growth Summits (agenda planning); incident management; Emergency Responder training project