



No portion of this article may be reproduced without
express written permission of Style Publishing Group, LLC.
©2007 • All rights reserved.



Style Publishing Group
P.O. Box 1676
Frisco, Texas 75034
Phone: 972.335.1181
Toll Free: 877.781.7067
Fax: 214.722.2313

E-mail: info@friscostyle.com
Web: www.friscostyle.com

Ad Sales: (972) 335-1306

did you know?

Debate Continues Over How Best to Fund SH121

MAYOR PRO TEM, MAHER MASO wrote the following article for his January 24th FriscoFirst Newsletter. It is valuable information regarding the development of State Highway 121 and the effects on Frisco residents. With Mr. Maso's permission we have reprinted this for Frisco STYLE Magazine readers.

This special issue of the Newsletter is focused on the SH 121 issue and the potential tolling. Unfortunately, the public is not following this very closely. This is a complex issue that is difficult to present. I have a file that is three inches thick with documents that are impossible to duplicate in this newsletter. My personal position has been consistent on this issue since I was first elected: Tolling is not the answer to the state highway

needs. It would take me some time to explain why. In a nutshell, transportation needs have exploded in Texas and funding has not kept pace. In fact, funding is slowly being eroded. You currently pay 18.4 cents per gallon in a federal gas tax and another 20 cents for a state gas tax. There are several problems with the gas tax today. There are limited uses for tollways that make sense, but as a general policy covering all state highways, it is a bad idea.

The state gas tax has not increased since 1991 when it was increased from 15 cents to 20 cents per gallon. In the last 25 years, the population in Texas has increased by 57 percent, use of our roads has grown by 95 percent, and state road capacity has only grown by 8 percent (the problem becomes obvious!!). In the next 25 years, Texas Department of Transportation (TxDOT) figures show that the population will increase an additional 64 percent, use of roads will increase 214 percent, and capacity will



S.H. 121 Future Tollroad?

photo by Chris Johnson

only grow at an additional 6 percent.

To add to the problem, the state does not dedicate the gas tax to only road projects. The school system is partially funded by the gas tax as well as the Department of Public Safety. It is no wonder we are in this dire situation.

Should we blame TxDOT? No. They were created to design and build roads in Texas.

Of course, inflation has taken a toll on the gas tax also. While I do not necessarily advocate raising the gas tax; it is one option. To put it in perspective, if one person in your family drove approximately 15 miles on the new Tollway each way, five days a week, at a rate of .15 cents per mile; the annual toll

paid would be \$1,170. This, of course, does not include those who actually use the road for on-off travel (think of the toll bill!). If the gas tax was increased by .10 cents per gallon, and assuming you have a car that gets 15 miles per gallon on the highway (most get better!), that increase would be \$52 per year! Keep in mind that this discussion is really also about every other new highway in Texas along with expansion of current highways. **There are not enough funds to build the needed highways in Texas.** Thus, if this continues in the direction that it has taken so far; be prepared to pay tolls anywhere you go in Texas. It looks like we are building a society where those that can afford it, can use the highway system and those that can't will just have to stay home (and my guess would be that they will still pay the gas tax).

Should we blame TxDOT? No. They were created to design and build roads in Texas. It is not their fault that their funding has dried up and has not kept up with the



road needs. They are good at what they do but, unfortunately, they do not have the needed funding to carry out their mission. While I have voted NO to tolls every time they have appeared before our council and while many in the city may disagree with the State's and other agencies stance on this issue; we still have partnerships that are beneficial to everyone. We just disagree passionately about this one issue.

What are the solutions? This is a very difficult question to answer. There are solutions. Some of them require hard decisions to be made. Partnerships can be created. We can work to build the roads together or we can try to tax the heck out of one community because "they can afford it" to pay for the State's needs. This problem requires leadership at all levels and a commitment to quit playing politics and a shell game with funding. We have good leaders. They need to step back and put a long-term plan in place, not tackle it piece-meal. You expect the city council in Frisco to plan for the long-term. Now expect the same out of the State. Selling our roadway system to private foreign companies with ridiculous guaranteed rate of returns without taxpayer oversight is short sighted, double-taxation, taxation without representation and unfair to our citizens.

I encourage you to thoroughly read our City Managers memo on the subject. I encourage you to let our city council

know how you feel (they are working long hours without feedback trying to do the right thing for our citizens). More important than that, it is imperative that you make your voices heard to TxDOT and our State Representatives. I have watched Mayor Mike Simpson and City Manager George Purefoy, with the support of our council; spend countless hours in trying to find a solution to this issue. Every suggestion and idea they have brought forth has been shot down because it has not provided additional cash to the State.

SH 121 can be built with limited or no tolling. The cities of Allen, Plano, McKinney and Frisco along with Collin County passed a resolution supporting a toll IF tolls were set at a rate only to pay for the construction and maintenance and IF the rates were reduced or removed when the bonds were paid off. These resolutions were not even considered seriously by the State.

It is time for our citizens to either accept what is happening or to exercise their right to be involved in the process.

FRISCO CITY MANAGER GEORGE PUREFOY wrote the following memo to inform city council members and citizens of the State Highway 121 issues. With Mr. Purefoy's permission we have reprinted the memo for Frisco STYLE Magazine readers.

As you are aware, there has been much discussion of the Texas Department of Transportation (TxDOT) wanting to do a comprehensive development agreement (CDA) for the Collin County section of SH 121. Our understanding of a CDA is that a private company(ies) will submit a proposal to construct a roadway, offer a dollar amount, either up front, or over time, or a combination of the two, to TxDOT for getting the rights to toll the roadway. The CDA is guaranteed a certain return on its investment. We have been told the return will be somewhere between 10 to 22 percent of the CDA's equity in the project. For instance, if SH

121 costs \$400 million to construct, and the CDA puts in \$100 million in equity, then the CDA is guaranteed a certain return, somewhere between \$10 million to \$22 million per year multiplied by 40 years for a total return from \$400 million to \$880 million dollars.

Collin County along with the cities of Allen, McKinney, Plano, and Frisco have discussed ways to improve SH 121 from the DFW Airport to US 75 for approximately 20 years. During this time, Frisco has actively participated in the discussions, and assisted with obtaining donated right-of-way. Frisco, along with Plano and Collin County (\$1 million each), paid funds toward the construction of SH 121 from the Dallas North Tollway (DNT) to Hillcrest.

In addition, Collin County bond committees have recommended committing tens of millions of dollars to SH 121. The Commissioners Court accepted these recommendations over the years and over time, funds were approved through county bond elections. Collin County paid to have sections of SH 121 expanded to four lanes and paid for the grade separation and main lane construction at the SH 121/Custer Road intersection. This section of roadway just recently opened to traffic.

For the past year, Frisco, Plano and Collin County have been actively discussing tolling SH 121 from the DNT to US 75.

For the past year, there has been discussion of tolling SH 121 from the DNT to US 75. Even though the section of SH 121 between DNT and Hillcrest is under construction, Frisco has actively discussed the possibility of tolling this portion of the roadway as well (as has Plano and Collin County).

We have been told that TxDOT does not have funds to construct the remaining portion of SH 121 from Hillcrest to US 75 for the foreseeable future. We also have been told that tolling certain roadways over and above the cost to build the roadways is now a plan for TxDOT to

fund the construction of roadways, since the gasoline tax is not keeping up with the transportation needs of the state.

In a report titled “SH 121 Collin County Feasibility Study” dated April 2005 the toll sensitivity section of the report indicates that the road would support a \$.25/mile toll; however, a \$.15/mile toll is suggested because it is “consistent with existing toll rates in the Dallas Metropolitan area and is very similar to the toll rate selected by the Texas Turnpike Authority (TTA) of TxDOT for the 2004 SH 121 Sketch Level Analysis.” Even though the report says that \$.15 is consistent with existing toll rates in the Dallas area, the graph depicted in Figure 7 of the report shows both the DNT and PGBT are tolled below \$.10/mile for tolltags.

Commission Chairman Ric Williamson stated that it is not the State’s strategy to hold down the cost of tolls to the consumers, rather he said, the consumers (by choosing to use the toll road or not) should decide if the toll rate is “a buck, or ten cents, or two bucks a mile.” Chairman Williamson also stated that it is not in the best interest of the State to turn over a toll road to an agency like NTTA because that agency will attempt to keep the toll rates lower to the citizens. Taking the

comments from Chairman Williamson, CDA’s are favored by T x D O T because they will not be influenced by local political pressure to keep the toll rates down.

The bottom line is that roadways such as SH 121 are being earmarked by the Commission to basically carry the load for the shortfall in funding from the gasoline tax. Thus, a select group of citizens, in this case the citizens driving SH 121, will be asked to make up the funding gap for what the gasoline tax fails to fund. If a CDA is allowed to control SH 121 and the tolls are set at the market rate to help fund other roadways

for which the gasoline tax is insufficient to fund, then this will be tantamount to taxation without representation.

In regards to what NTTA has offered to do, the NTTA has proposed to complete SH 121, including the interchanges at the DNT and US 75, and set the initial toll rate at \$.12/mile. NTTA has committed to turning over to the region (TxDOT) any revenue over and above 1.35 times coverage of the debt service. The NTTA system averages approximately 2 times coverage, thus it appears that approximately 20 percent of the SH 121 toll revenue could go towards constructing other roadways in the region.

If the goal for SH 121 is to make it a cash cow for TxDOT, then NTTA is not the way to go because the NTTA board will attempt to keep tolls reasonable to our citizens. If the goal is to take the maximum amount of money possible out of SH 121, and literally not care how much the citizens are charged for driving on the roadway, then the CDA is the way to go.

A comparison of the rates using the NTTA model of \$.12/mile vs. a toll rate of \$.25/mile shows the effect of the difference:

COST FOR A TRIP FROM US 75 TO DNT

TOLL RATE YEAR	NTTA	25¢	EXTRA COST STARTING @ 25¢/MILE	PERCENTAGE MORE PAID @ 25¢/MILE
2010	1.34	2.79	1.45	108%
2015	1.44	3.32	1.88	130%
2020	1.56	3.94	2.38	152%
2025	1.68	4.68	3.00	178%
2030	1.81	5.55	3.74	207%
2035	1.95	6.60	4.65	238%
2040	2.11	7.84	5.73	271%

1. Assumes a trip length of 11.17 miles 2. NTTA rate assumes starting at \$.12 per mile with an annual increase of 1.5% 3. The \$.25/mile rate assumes starting at \$.25 per mile with an annual increase of 3.5% (assumed avg cpi increase)

As you can see by the chart, a trip from McKinney to Frisco will cost 108 percent more in 2010 and grows to a projected 271 percent difference by 2040 by using the higher toll rate.

In order to get the roadway built at a reasonable cost to our citizens, we need your help with the Commission.

EDITOR’S NOTE:

The decision for which entity should be granted the contract to build the highway has been postponed. Citizens are encouraged to send their comments and preferences to their state representatives whose addresses are provided below.

TEXAS SENATE:

P.O. Box 12068, Austin, Texas 78711

SENATE DISTRICT 8

Sen. Florence Shapiro, 512.463.0108

District Address: 972.403.3404

5000 Legacy Dr., Ste. 494,

Plano, TX 75024

SENATE DISTRICT 12

Sen. Jane Nelson, 512.463.0112

District Address: 817.424.3446

1235 S. Main St., Suite 280

Grapevine, TX 76051

SENATE DISTRICT 30

Sen. Craig Estes, 512.463.0130

District Address: 940.689.0191

2716 Commerce St., Suite 101

Wichita Falls, TX 76301

TEXAS HOUSE OF REPRESENTATIVES:

P.O. Box 2910, Austin, TX 78768

HOUSE DISTRICT 63

Rep. Mary Denny, 512.463.0688

District Address: 972.724.8477

1001 Cross Timbers Road, #1245

Flower Mound, TX 75028

HOUSE DISTRICT 64

Rep. Myra Crownover, 512.463.0582

District Address: 940.321.0013

P.O. Box 535

Lake Dallas, TX 75065

HOUSE DISTRICT 65

Rep. Burt R. Solomons, 512.463.0478

District Address: 972.394.3904

1029 Rosemeade Pkwy., #108

Carrollton, TX 75007

HOUSE DISTRICT 70

Rep. Ken Paxton, 512.463.0356

District Address: 972.562.4543

201 West Virginia Parkway

McKinney, TX 75069