

Regional growth demands innovative funding solutions

BY MAC CHURCHILL

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Our region has a problem: When it comes to transportation, we're stuck.

We're stuck in traffic. We're stuck with inadequate resources to expand our transportation infrastructure. We're stuck with the decisions of elected officials that have severely restricted, and in some cases, eliminated the ability for our state and our region to generate new revenues that will help us meet our transportation needs. We're just plain stuck.

The problem is that there simply is not enough money at the federal, state or local level to take care of our region's transportation needs; estimates are that by the first quarter of 2012 the state will run out of money coming from traditional revenue sources (such as gas taxes and vehicle registration fees) for new capacity projects.

So, if we want to get unstuck, we need to start looking for and embracing a range of solutions – and demanding that our legislators do the same. A balanced mix of revenue streams, from traditional sources to innovative public-private partnerships, is needed to provide some of the funding necessary to meet our growing capacity needs.

Our region is one of the fastest-growing areas in the country: the Dallas-Fort Worth area's population, which is at more than 6.5 million today, is expected to increase to more than 9 million in the next 20 years.

Not only does that mean more people in our neighborhoods and our stores and our businesses, but it also means more cars on the road in a region that already is suffering from stifling gridlock.

Fortunately, Texas has established itself as an innovator in the use of public-private partnerships to get roads built that would otherwise never come off the drawing board. In short, Texas Department of Transportation bids out the finance, design, construction, operation and maintenance of roadways to a private company (or consortium of companies) that invests its own private equity capital to fund the transportation project, in exchange for the receipt of toll revenues over an extended period of time. This allows critical transportation corridors to be completed decades before they could – if ever – be funded by the state.

While none of us wants to pay tolls, it is one of several funding mechanisms that will ensure that our roads are properly operated and maintained for decades to come. In many of these public-private partnership projects, there is a managed lane component, which allows drivers the choice during heavy congestion of traveling on existing general purpose lanes or on tolled lanes that will guarantee a faster rate of speed and ensure safer, more reliable travel. Also, in many cases, the projects expand the number of existing general purpose lanes, helping to increase capacity and reduce congestion.

An example of this is the North Tarrant Express (NTE) – the reconstruction of Loop 820 and Airport Freeway (SH 121/SH 183) from Interstate-35W to east of the SH 121/SH 183 split in Euless. TxDOT has allocated about \$570 million to this project, which will ultimately yield a 13-mile, \$2.5 billion infrastructure project. The NTE will almost double the road capacity in the next five years and will provide the region with an infrastructure asset that is valued at nearly five times the initial investment. There are very few investments in today's world that achieve such results and even fewer that have such a broad-reaching

impact.

The bottom line is that we need to grow our transportation system to meet the needs of our rapidly expanding region. Already, we have one of the highest levels of congestion in the country, which will only get worse if our state does not invest more in our transportation infrastructure through traditional – and innovative – revenue sources.

We cannot bury our heads in the sand and hope the problem goes away. We need to find solutions now. Public-private partnerships are just one tool in our toolbox that will help generate the revenues we need. Short of that, we are jeopardizing the future of our region, the ability to attract future economic development and our quality of life.

We need to recognize that we are all going to have to pay a little bit more to get the transportation system our vibrant region needs and should demand. The alternative – watching funding for vital projects dry up while our existing roads and bridges continue to fail as well as facing the inability to fund alternative forms of transportation – will exact a huge financial toll on all of us. This is a price we cannot afford to pay.

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