



# City of San Antonio

## Agenda Memorandum

**File Number:**16-1086

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**Agenda Item Number:** 2.

**Agenda Date:** 2/10/2016

**In Control:** Transportation, Technology and Utilities Committee

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**DEPARTMENT:** Transportation and Capital Improvements (TCI)

**DEPARTMENT HEAD:** Mike Frisbie

**COUNCIL DISTRICTS IMPACTED:** Citywide

**SUBJECT:**

Briefing on the managed lane projects along US 281 and IH-10

**SUMMARY:**

TCI will provide a briefing on the US 281 and IH-10 Managed Lane projects managed by the Texas Department of Transportation and included in the Alamo Area Metropolitan Planning Organization's (MPO) 2040 Long-Range Plan.

**BACKGROUND INFORMATION:**

US 281 and IH-10 are Texas Department of Transportation (TxDOT) roads scheduled for expansion north of Loop 1604 in the near future. US 281 is a \$532 million project and IH-10 is a \$200 million project. In the Alamo Area Metropolitan Planning Organization's (MPO) 2040 Long-Range Plan, toll revenues were originally included as part of the financing package to expand these two facilities.

On September 14, 2015, the Alamo Area MPO Transportation Policy Board approved a resolution stating its willingness to move the US 281 project forward without the use of toll revenues. The toll revenue portion is estimated at \$304 million.

On December 7, 2015, the Alamo Area MPO Transportation Policy Board was presented a proposal to move the IH-10 project forward without the use of toll revenues. The toll revenue portion is estimated at \$53 million.

Although the toll portions of the plans may be removed for both US 281 and IH 10, both corridors include proposals for High-Occupancy Vehicle (HOV) lanes) for vehicles with more than one person). The MPO Board has asked for additional information regarding the functionality of HOV lanes in other areas of the State. That information will be provided at the January meeting and the non-toll proposal will be presented for action at the February or March Transportation Policy Board meetings.

**ISSUE:**

By removing the toll revenue funding from the US 281 and IH-10 projects, TxDOT will need to make adjustments to the projects scope, timing, and funding sources. It is imperative that TxDOT secure alternative

funding to replace the toll revenue and complete the projects.

#### US 281 Expansion Project

The US 281 expansion projects will be completed in two phases. The Phase 1 limits of the US 281 project is from Loop 1604 north to Stone Oak. The current configuration has six lanes of frontage road (three in each direction). The expansion project will add four mainlanes (two in each direction) and two managed lanes (one in each direction). Originally, the managed lanes were to utilize toll revenue as a funding source. With the adjustment, the design of the project will not change, but toll revenues will not be used and the “managed lanes” will only be for High Occupancy Vehicles (HOV). Phase 1 is anticipated to begin construction in 2017 and will take several years to complete.

The Phase 2 limits of the US 281 project is from Stone Oak to Bexar County line. The current configuration has four lanes of frontage road (two in each direction). The expansion project will add four mainlanes (two in each direction) and two non-tolled High Occupancy Vehicle (HOV) lanes (one in each direction). Phase 2 cannot be constructed until revenue is secured to replace the toll revenue.

#### IH-10 Expansion Project

The IH-10 project includes lane expansion from La Cantera Parkway to Ralph Fair Road Direct Connector Brides from Loop 1604 to IH-10. With the adjustment, the project will need to be separated. The lane expansion will go forward, but the Direct Connector Bridges will be delayed.

Currently, IH-10 has four mainlanes (two in each direction) and four frontage roads (two in each direction). The original expansion project was to add four managed lanes (two in each direction). With the adjustment, the project will move forward with two High Occupancy Vehicle (HOV) lanes (one in each direction) and two additional mainlanes for a total six mainlanes (three in each direction) since two of the mainlanes already exist. The lane expansion is anticipated to begin construction in 2017 and will take several years to complete.

#### Alternative Funding

The proposed alternative funding sources to replace the toll revenue for the US 281 and IH-10 expansion projects will come from State Propositions 1 and 7.

**Proposition 1** is a constitutional amendment that dedicates a portion of oil and gas production revenues to the State Highway Fund. It was passed by Texas voters on November 4, 2014 and took effect in Fiscal Year 2015. Proposition 1 revenues are allocated annually and will fluctuate with the price of oil and gas. In Fiscal Year 2015, the TxDOT-San Antonio District received a total allocation of approximately \$140 million. The allocation for Fiscal Year 2016 has dropped to approximately \$99 million, and is anticipated to drop further in Fiscal Year 2017 to approximately \$55 million.

**Proposition 7** is a constitutional amendment that dedicates a portion of general sales and use tax, motor vehicle sales tax, and rental tax to the State Highway Fund. It was passed by Texas voters on November 3, 2015 and takes effect in Fiscal Year 2018. Proposition 7 is anticipated to generate approximately \$2.5 billion annually statewide in Fiscal Years 2018 and 2019 and could increase to \$3 billion by Fiscal Year 2021. The Texas Legislature and the Texas Transportation Commission have not yet determined how this funding will be distributed throughout the State’s 25 Districts. Until the distribution formulas and allocations are determined, the San Antonio region will not have specific funding projections. In the past, the region has received between 8 and 10 percent of available funding, which would equate to between \$200 and \$250 million for the 12-county TxDOT-San Antonio District beginning in Fiscal Year 2018.

In addition to the new revenue sources approved through Propositions 1 and 7, another alternative funding source to replace toll revenue is to redirect funding from other proposed TxDOT projects in the 12-county TxDOT-San Antonio District.

**ALTERNATIVES:**

This is a briefing for informational purposes only.

**FISCAL IMPACT:**

There is no fiscal impact associated with this briefing.

**RECOMMENDATION:**

This is a briefing for informational purposes only.