



## ⦿ No clear path forward to pay for Trinity River toll road

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Five years after Dallas residents voted to stick with plans to build the Trinity River toll road, proponents are still searching for ways to come up with nearly \$2 billion for the controversial project.

The Federal Highway Administration could decide by December or January whether — and where — the highway can be built, a decision that could mark a major victory for supporters of the nine-mile road.

But that decision will be meaningless until local officials can figure out how to pay for it. And while Dallas leaders and others insist they can find a solution, the prospects for funding the road have grown dimmer since 2007.

North Texas Tollway Authority Chairman Kenneth Barr has said his agency won't be able to borrow money to build the road until at least 2018, three years after the road would require financing under the current, more optimistic schedule.

Barr said NTTA will explore other solutions, such as finding a private investor or another governmental agency to help fund the road.

For now, said a top Texas Department of Transportation official, the question of who will pay for the road — and whether NTTA will be able to afford it at all — remains open.

"Are they going to build it?" asked Bill Meadows, one of five members of the Texas Transportation Commission and a former vice chairman of NTTA. "I mean, if it was all environmentally cleared today, would they? ... I don't know the answer to that. They say they are going to build it, but the question is a financial one. Where is the money going to come from?"

Meadows said he called NTTA, the North Central Texas Council of Governments and Dallas leaders last month to better understand the funding prospects. He said one thing is clear to him: TxDOT itself is unlikely to help pay for the road.

Federal funding is too uncertain, he said, and TxDOT's own revenue is committed to a growing backlog of maintenance and construction projects.

### \$1 billion short

Paying for the Trinity has been a touchy question ever since NTTA announced in 2008 that it would probably be \$1 billion short on the road project, even after it drew \$400 million in untapped credit and borrowed against future tolls on the Trinity.

Since then, that gap has likely grown as NTTA's finances have tightened.

Collections have been disappointing since the authority did away with toll booths in 2010, and traffic projections on its most expensive road project, the Sam Rayburn Tollway, were too optimistic, NTTA has said.

In addition, that \$400 million in untapped credit, once set aside for the Trinity, has been spent on two other projects in the years that the toll road has been on hold.

Those factors have left NTTA in what it calls a pinch point — meaning that its revenue is insufficient to support additional borrowing at this time.

In written answers to the newspaper, Barr said the pinch point will last until 2018, two to three years beyond when the toll road would need to be financed, based on a schedule in the most recent documents prepared for the Federal Highway Administration.

It's not clear how soon after 2018 NTTA might accumulate enough excess revenue to borrow the money to finance a project as large as the Trinity.

"The NTTA pinch point is from 2013 to 2018. We are not prepared to speculate on accumulation of reserves at this time," Barr said.

He said in the meantime, if the federal approvals ever materialize, the authority can begin working with other government agencies and, perhaps, private investors to pay for the project.

“You can anticipate NTTA will explore other options to finance the toll roads in conjunction with project partners,” Barr said.

Private investors would face the same daunting task that has made paying for the Trinity such a challenge in the first place: It's expected to cost a lot more than the projected toll revenue, which would be used to support bonds or other debt.

Another possibility is that NTTA could find a partner to fund the project initially — with its own funds or ability to borrow — and then wait until NTTA's access to credit is restored. At that point, NTTA would repay the partner.

## Clear up ahead

NTTA board member Victor Vandergriff said NTTA's financial challenges are short-lived. After 2018, he said, revenue from its vastly expanded toll network should pay large dividends for the authority. That money will support new borrowing for new projects throughout North Texas over time, he said.

When the NTTA can move forward, the Trinity will have competition from at least two other projects also awaiting environmental approval.

For his part, Vandergriff said the Trinity would probably benefit more people than the other projects under consideration and will receive a strong hearing at NTTA.

“I've seen the traffic back up in downtown Dallas for nearly all of my working life,” Vandergriff said. “And for me, experiencing it is almost a daily occurrence. I would support building the Trinity first, if it's ready.”